Minister of Community Resources

SASKATCHEWAN

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Letter of Transmittal

The Honourable Dr. Gordon L. Barnhart
Lieutenant Governor
Province of Saskatchewan

May It Please Your Honour:

I respectfully submit herewith the Annual Report, audited Financial Statements, Supplier, Grant and Other Payments Schedule, and the Consolidated Schedule-Corporate and Housing Authority Financial Statements of Saskatchewan Housing Corporation for the fiscal year ending December 31, 2006.

Sincerely,

Buckley Belanger

Enclosures

Acid free Paper

Government of
Saskatchewan

2006
Annual Report

Saskatchewan
Housing
Corporation

An Agency of
Community Resources

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Message from the Minister

It is my privilege to serve as the Minister responsible for Saskatchewan Housing Corporation (SHC).

Safe, affordable housing is a basic necessity that we all share. Good housing builds better futures for Saskatchewan people by providing them with the stability they need to participate in education and skills training opportunities, to gain and maintain employment, and to access community based services for their continued health and well-being. A safe and affordable home provides social, economic and health benefits for families and communities.

Our government is committed to assisting persons in need of quality housing and creating safe, healthy and caring communities. Under the umbrella of HomeFirst, we worked with many partners to ensure the availability and sustainability of quality housing for those in need, including supportive and transitional housing. Through the Centenary Affordable Housing Program (CAHP), we created additional housing for low to moderate-income families, seniors and people with disabilities. Additionally, we provided financial assistance to help people improve the energy efficiency of their homes through the Saskatchewan Home Energy Improvement Program (SHEIP).

Significant advancements in building and repairing housing stock were also achieved in high priority areas such as inner city neighbourhoods and northern Saskatchewan communities. In partnership with our many stakeholders, including First Nations and Métis organizations, we delivered a range of housing options and services to help meet each community's unique needs and enable the residents to live as independently as possible. We strengthened the capacity of northern housing authorities to deliver repair and energy improvement programs (such as RRAP and SHEIP) so there is more direct community support for clients wanting to access these programs. Additionally, the CAHP – Homeownership Option was expanded to the northern communities of La Ronge, Air Ronge, Denare Beach and Creighton to help more northern residents own their home.

At the heart of our success is the involvement of Saskatchewan people in our social and affordable housing network. I thank our stakeholders, housing authorities, cooperatives, community organizations, volunteers, SHC staff and many others for their dedication and effort throughout the year. By working together, we can ensure that Saskatchewan continues to be the best place to live, work and raise a family.

I am honoured to submit the 2006 Annual Report of the Saskatchewan Housing Corporation.

Buckley Belanger
Minister
Saskatchewan Community Resources

Message from the President

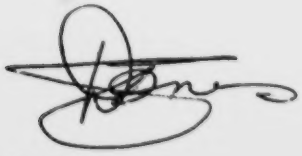
Affordable housing is a fundamental building block of our commitment to making life better for Saskatchewan families. Through HomeFirst, our provincial housing policy framework, we are responding to the differing needs of people across the province, creating pathways that assist households to achieve greater independence, and helping communities to develop affordable housing options to meet their specific requirements.

This past year, SHC made major strides towards achieving the goals and objectives outlined in HomeFirst. A significant accomplishment was fulfilling Phase I and II commitments under the Centenary Affordable Housing Program (CAHP) agreement ahead of schedule. This will allow SHC to respond to housing needs in a timely manner and increase the stock of affordable homeowner and rental units.

In direct response to the changing market circumstances, most notably rising housing costs, SHC increased its maximum income limits for low to moderate-income households. This enhancement allowed more people to be eligible for SHC's affordable housing programs.

Thanks to the Better Use Plan, SHC continued to sell a number of underutilized housing units from its stock to offer more opportunities for affordable homeownership, private rentals and alternative uses. The first phase of the plan was completed in 2006, which has helped more Saskatchewan people achieve their dream of homeownership and more communities to strengthen their market circumstances.

These and other activities clearly demonstrate our HomeFirst vision that all Saskatchewan citizens have homes that promote health, independence, security and dignity and that enhance the social and economic well being of communities. We all have a shared responsibility for good housing outcomes, and I commend the staff of SHC, as well as the staff and volunteers of the provincial housing authorities, cooperatives, non-profit agencies and other partners, for their vision, creativity and hard work.



Darrell Jones
President
Saskatchewan Housing Corporation

Introduction

This Annual Report provides an overview of the activities and accomplishments of the Saskatchewan Housing Corporation (SHC) for the year ending December 31, 2006. For additional copies of this Annual Report, please call 1-800-667-7567 or visit the SHC website at: http://www.cr.gov.sk.ca/housing/index.html under the "Publications" link at the bottom of the page. Information on housing programs and services is also available at this website.

Copies of SHC's Annual Reports dating back to 1999 are also available online.

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About Us

Mandate

While recognizing that the marketplace is the primary vehicle for the provision of housing, the Saskatchewan Housing Corporation (SHC) promotes independence and self-sufficiency by providing housing and housing services to households that could not otherwise afford adequate, safe, and secure shelter. SHC manages the financial contributions of the provincial, federal, and municipal levels of government for social and affordable housing and plays a lead role in the development of housing policies on behalf of the Government of Saskatchewan.

Programs and Services

SHC provides a continuum of housing programs and services, including social and affordable rental housing, home renovation, repair and energy retrofit programs, home adaptations programs, supports to independent living for seniors, and homeownership options.

There are approximately 31,000 social and affordable rental and homeowner housing units in more than 300 communities across Saskatchewan. The day-to-day management of these rental housing units and the coordination of services to tenants are provided through a network of local housing authorities, non-profit organizations, housing cooperatives, private landlords, and SHC. The majority of the portfolio is locally managed, with SHC directly managing only about 3% of the portfolio. Housing authorities manage nearly 60% of the portfolio and the remaining, approximately 37% of the portfolio, is owned and managed by non-profit and cooperative groups and the private sector.

Responsibilities of the Corporation include managing operating agreements with approximately 450 organizations; providing technical services; research, program and policy development, including analysis of economic and demographic trends; business planning and financial policy development; and delivery of housing programs and services. SHC is also responsible for Saskatchewan's housing policy framework, termed HomeFirst, which integrates housing with broader social, economic, and health policies in order to better address the current and future housing needs of Saskatchewan people.

HomeFirst aligns housing policy with the principles of Saskatchewan's *Building Independence* strategy, which includes programs that provide additional income and health benefits and help improve the quality of life for low-income working families. HomeFirst is a key component of *Building Independence* because it uses housing to support employment, education and training and also focuses on neighbourhood renewal and economic prosperity in the province's inner cities and the North. The security of having a stable place to live increases self-sufficiency, and promotes the economic and social participation of all Saskatchewan citizens.

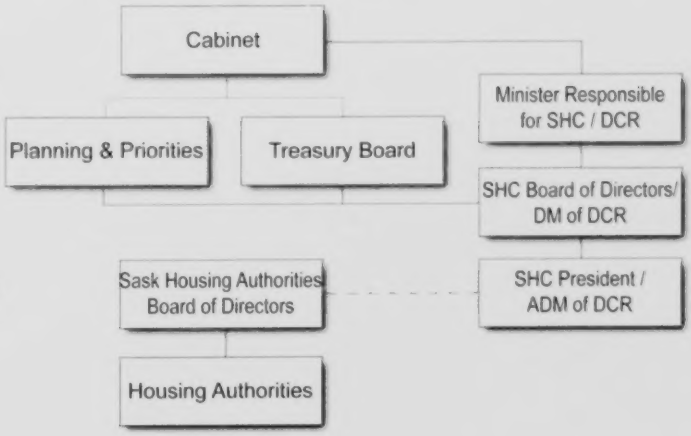
Organizational Structure

SHC is a Treasury Board Crown Corporation accountable to Cabinet through the Minister of Community Resources. Legislative authority is provided by *The Saskatchewan Housing Corporation Act, 1973.*

Management services are provided to SHC by the Department of Community Resources (DCR), including: financial management; housing development; housing operations; technical services; northern housing; and housing policy and program services. The Corporation pays an annual fee to the Department for these management services.

The Minister establishes local housing authorities and appoints the volunteer board members who provide oversight of the operations and day-to-day management of SHC-owned properties.

SHC's Accountability Structure
- Legal and Financial


Cabinet
Minister Responsible for SHC / DCR
Planning & Priorities
Treasury Board
SHC Board of Directors/ DM of DCR
Sask Housing Authorities Board of Directors
SHC President / ADM of DCR
Housing Authorities

About Us

Housing Partners

Community-based housing authorities, led by volunteer boards of directors, manage the majority of social and affordable housing projects on behalf of SHC in addition to delivering some housing programs (e.g. repair programs). Now similar to the major housing authorities in southern Saskatchewan, as of November 1, 2006, the housing authority offices located in Beauval, Buffalo Narrows, Creighton, Cumberland House, Ile a la Crosse, La Loche, and La Ronge have been participating in the delivery of repair and energy improvement programs to off-reserve homeowners in northern Saskatchewan. Local housing authority involvement in these programs provide northerners with greater access to affordable housing options.

SHC Territory Housing Operations offices provide technical assistance, manager and board member training, tenant services coordination, and accounting and financial services for housing authorities in southern and central Saskatchewan. Northern Saskatchewan is served by a network of local and regional housing authorities and one non-profit housing corporation. Plans for the expansion of the northern housing authority network began in 2006. Work is underway to establish a Regional Housing Authority for the Athabasca region, with an office in Stony Rapids, and a stand-alone Housing Authority in Sandy Bay providing the community meets key objectives.

Saskatchewan Housing Territory and Northern Operations

Other partners include municipalities, non-profit organizations, housing cooperatives and private landlords who own and manage housing for low to moderate-income tenants. SHC also works with various divisions of DCR and with other government departments and agencies to integrate housing within government services.

Volunteers Essential

Saskatchewan has a network of 279 housing authorities served by more than 1,500 volunteer members across the province. Dedicated volunteers are integral to the ongoing success of SHC's activities. Community-based management enables local people to respond to local situations thereby bringing enhanced knowledge and responsiveness to the housing system. SHC regularly recognizes volunteers for their long service, and in 2006, the following seven Saskatchewan volunteers were honoured for more than a quarter century of service to their local housing authorities: Hildegarde Willen from Lake Lenore with 25 years of volunteer service; Victor Franks from Ogema, Cameron McKie from Foam Lake, Ken Oberkirsch from Radville, Brian Watson from Dinsmore, and Blanche Weir from Perdue with 30 years of volunteer service each; and Michael Lalach from Wynyard for 35 years of volunteer service.

2006 HomeFirst Summary

HomeFirst Vision

All Saskatchewan citizens have homes that promote health, independence, security, and dignity and that enhance the social and economic well being of communities.

Under HomeFirst, the Government of Saskatchewan through SHC is working with its many partners in the private, public, and non-profit sectors toward the following goals, where a summary of the key 2006 achievements is provided under each:

Goal 1: Equitable Access to Housing

- The Saskatchewan Rental Housing Supplement (SRHS) for families with children and for persons with disabilities was expanded and enhanced.
- More than 600 additional affordable units, available to low and moderate-income households, were committed for development through the year.
- SHC supported two housing projects that were winners of the Canada Mortgage and Housing Corporation (CMHC) Housing Awards Program.

Goal 2: Self-sufficiency in Housing

- The Homeownership Option under the Centenary Affordable Housing Program (CAHP) was expanded to include La Ronge, Air Ronge, Denare Beach, and Creighton.
- Homeownership education continues to support clients in meeting their housing needs.
- The Thom Collegiate Carpentry Apprenticeship Program and the Social Housing Management Learning Program continue to strengthen the capacity of the housing industry and network.

Goal 3: Efficiency in Housing Markets

- SHC, in cooperation with SaskEnergy, started delivering the Saskatchewan Home Energy Improvement Program (SHEIP).
- SHC's ECOplan continues to improve energy efficiency in government-assisted housing.
- SHC supported Affordable Housing Weeks in Regina and Saskatoon.
- Through the Saskatchewan Housing Research Program (SHRP), SHC provided financial assistance to two projects.
- SHC conducted a series of contractor workshops in northern communities.
- SHC continues to improve management practices in government-assisted housing to ensure effective and efficient operation.

Summary of Financial Results

Reported figures reflect results for the Corporation's year ended December 31, 2006.

a) Expenditures

SHC's expenditures for 2006 were $170.34 million. This represents a variance of $30.6 million below budget. Lower than anticipated operating costs and expenses for grants and subsidies accounted for the variance.

b) Revenues

SHC revenues for the year were $170.27 million, and were $29.2 million below budget. During the year, it was necessary to recognize less than the full amount of funding available under certain federal and provincial housing programs. These savings were deferred for use in future years.

2006 Activities

This section provides in-depth information on SHC's activities for the 2006 fiscal year with respect to the Corporation's goals and objectives.

Goal 1 – Equitable Access to Housing – improving the quality of life related to housing for low to moderate-income households, particularly addressing inequities for the most vulnerable households.

Objective 1.1: Improve housing affordability for families as well as people with disabilities and support the housing needs of the lowest income households through housing supplement programs

The Saskatchewan Rental Housing Supplement (SRHS) for families with children and for persons with disabilities was initiated on April 1, 2005. This program helps low-income tenant families and people with disabilities obtain accessible, quality, and affordable housing. The SRHS is conditional upon properties meeting health and safety standards.

In 2006, the SRHS was expanded to include people with intellectual, cognitive and mental health disabilities. Benefits were enhanced such that people with disabilities can now qualify for up to $150 a month and families up to $151 a month. The maximum for a combined family and disability benefit is $227 a month. At year end, 3038 families and 722 households with disabilities received a housing supplement. On average, approximately 300 new applications were received each month.

Objective 1.2: Increase the stock of affordable homeowner and rental units

The Centenary Affordable Housing Program (CAHP) is a cost-shared initiative with the Government of Canada, the Province, and municipalities that provides one-time capital assistance to increase the supply of off-reserve affordable housing in Saskatchewan for low to moderate-income households. This initiative allows community-based organizations and the private sector to develop modest, affordable rental and ownership housing options. Housing is made available at or below average market rent or prices for comparable housing in a community or area. The program is flexible and targeted to meet the priorities, strategies, and realities of housing in Saskatchewan.

In 2006, SHC committed funding for more than 600 additional affordable units which will be made available to low to moderate-income households. These units were developed through CAHP, the Neighbourhood Homeownership Program (NHOP), and the Shelter Enhancement Program for New Projects (SEP – New).

Many CAHP projects exemplify what HomeFirst is all about, such as the seniors rental housing complex in Lloydminster. Undertaken by the Lloydminster Métis Housing Group Inc., the project will help seniors to remain independent by offering them the opportunity to live in safe, affordable housing. Elders in the community helped to identify features to be included in the new six-unit complex, such as the centrally located common room and energy efficient, in-floor heating.

Construction began in 2006 on eight new affordable housing units for low to moderate-income individuals in Beauval. The one-bedroom units are located in two single-storey fourplexes. The project was developed jointly by Lac la Plonge Holdings Ltd. and K. & L. Construction Ltd. The addition of good quality, affordable housing stock for singles will help to meet the growing demand that is resulting from increased economic activity in the area.

Objective 1.3: Improve community capacity to provide affordable housing

SHC supported the following two housing projects that were winners of the CMHC Housing Awards Program, which acknowledges significant accomplishments in the advancement of Canadian housing and encourages the sharing of best practices to foster affordable, quality housing across Canada. Both projects used funding from CAHP and the National Homelessness Initiative (NHI) to create affordable housing for vulnerable people in Saskatchewan.

The Déné Empowerment Centre in La Loche provides transitional housing for high-risk, single parent households, along with supportive services in the adjoining facilities, which empowers residents to gain self-reliance, independence, social inclusion and well-being and, ultimately, to relocate to non-supportive housing. This integrated facility involved the renovation of the existing hospital building, as well as new construction of the adjoining support facilities. The resulting project, which is financially self-sustaining, consists of seven apartments, a classroom, a meeting room,

two offices and a daycare centre/multi-purpose area for use by the tenants and the community.

Wakamow Place in Moose Jaw provides sixteen units of safe, supported, affordable housing for adults who experience long-term mental illness. Adjacent to the apartment units is a Mental Health Resource Centre that offers prevocational, social and recreation opportunities for the tenant group and others who experience long-term mental illness. This facility is the result of extensive community, provincial and federal partnerships which collaborated to ensure workable and sufficient funding, services and sustainability.

Objective 1.4: Improve access to government-assisted housing for high-need populations

Housing is a necessary part of society's social safety net to ensure the independence of its most vulnerable, such as frail seniors, people with disabilities, youth at risk, homeless and persons at risk of homelessness, people fleeing abuse, and lone parent families. The safety and security of having a place to live enables individuals to benefit from job training, counseling, or other supportive services needed to help them achieve self-sufficiency.

SHC requires an in-depth understanding of the population in housing need. While the Census data paints a broad picture of this population, further research and consultation is required and a community housing analysis process will be undertaken in the near future as a way of ensuring local needs and priorities are addressed.

The needs of SHC's clients have grown increasingly complex. Some have multiple and complex challenges, such as physical and developmental disabilities, age-related issues, poverty, and abuse. These households often require a variety of coordinated support services in addition to good quality affordable housing in order to lead healthier lives and be a part of their communities. SHC will continue to develop partnerships to ensure coordination of housing, health and social services to better support the independence of low to moderate-income seniors, people with disabilities, and other vulnerable people.

Goal 2 – Self-Sufficiency in Housing – increasing housing self-reliance among low and moderate-income households by using housing initiatives as a tool to promote economic independence, social inclusion, and well-being.

Objective 2.1: Increase homeownership for low to moderate-income households

There are numerous benefits to homeownership. Owning a home is a long-term investment. Homeownership also creates stability for families, their children, their community, and the province as a whole. Having a good quality home can mean a better financial future for a household. As well, a neighbourhood with a more permanent population has a greater sense of community.

The CAHP includes a Homeownership Option, which was expanded in July 2006, to include the northern communities of La Ronge, Air Ronge, Denare Beach, and Creighton. In 2006, funding was committed for approximately 104 modest, affordable homes that will create ownership opportunities for low to moderate-income households under the CAHP Homeownership Option across Saskatchewan.

Elm Park Terrace is a new affordable homeownership housing complex for low to moderate-income households in Saskatoon. Officially opened in 2006, Elm Park Terrace was undertaken by the Affordable New Home Development Foundation (ANHDF) and Ehrenburg Homes. The project features eleven efficient and affordable townhouses, and eligible families can access CAHP funding.

In addition to homeownership initiatives under CAHP, existing government-assisted housing have provided homeownership opportunities for low and moderate-income families. The majority of the units are in areas with low-income renters and a high ratio of rental housing, such as inner city neighbourhoods and the North. In the large centres (Regina, Saskatoon, Prince Albert, and Moose Jaw) housing authorities are working on identifying units and matching potential homeowners through the CAHP Homeownership Option.

Other initiatives have helped to create homeownership opportunities for low to moderate-income households living in northern communities.

The Rental Purchase Option (RPO) is available in northern communities where there is a limited housing market and where eligible social housing clients wish to purchase the unit in which they have resided for at least six continuous years. The Accelerated Homeowner and Repair Option (AHRO) has provided eligible clients with a mortgage discount, as well as cost-matched unit repairs to ensure the unit is energy efficient and meets standards of health and safety.

Objective 2.2: Greater independence for seniors and persons with disabilities through housing support services

Numerous CAHP projects support greater independence for seniors and persons with disabilities. Working with the North Ridge Development Corporation, the Affordable New Home Development Foundation (ANHDF) is spearheading the Hunter Crossing demonstration project for people with disabilities, located in Saskatoon's new Willowgrove area. The 40-unit townhouse condominium project will include twelve fully accessible attached bungalows.

Renaissance Retirement Residences Ltd. used CAHP funding to help convert the "Derrick" building in Regina (1801 McIntyre Street) into an apartment assisted-living complex for seniors. Out of the 165 new units, the CAHP funding supports 80 units for low to moderate-income seniors. The project supports downtown revitalization and provides safe, affordable housing units with optional assisted living services. The housing project is a seven-storey complex with studio, one-bedroom, and two-bedroom units and assisted living services including daily meal service, weekly housekeeping and laundry.

CAHP assistance was also used to build the Warman Mennonite Seniors Haven, an eight-unit, independent-living rental complex for low-income seniors. The single-level building features apartment-style housing units designed for affordability, accessibility and sustainability. The facility is located near a seniors' centre and other community amenities.

Saskatchewan Home Adaptations for Independence Program (SHAIP)

SHAIP is a home adaptation program that offers financial assistance to low-income, non-senior homeowners and tenants who require minor modifications to their home to maintain independent living.

SHAIP complements the Home Adaptations for Seniors Independence Program (HASI), a program funded by the federal and provincial governments that provides financial assistance to low-income senior homeowners and tenants who require minor modifications to their home to maintain independent living. There have been approximately 23 homes adapted through SHAIP and HASI in 2006.

Saskatchewan Assisted Living Services (SALS)

SHC currently offers the Saskatchewan Assisted Living Services (SALS), which provides tenants living in senior social housing access to community-based support services to maintain their independence and quality of life. Services are optional and are on a fee-for-service basis aimed at cost recovery. These community-based services are dependent on tenant participation and community capacity. SALS includes hotel-type services (e.g. meals, housekeeping, laundry) and social and recreational activities. Tenants can also choose to have a personal response system to support unscheduled needs.

Results from the 2004-05 SALS satisfaction survey indicate that tenants are generally pleased with the quality of services, as SALS is contributing to enhancing nutrition, increasing socializing, getting needed information, facilitating fitness, participating in recreation, and maintaining home cleanliness. A SALS program evaluation is currently underway and this will identify opportunities for program and service improvements.

Objective 2.3: Improve asset accumulation and financial planning skills for low-income families

Asset accumulation and financial planning may be improved through education and skills training. The homeownership education package is an educational module that SHC has developed to support clients in meeting their housing needs. The training provides participants with pertinent and practical information as a means of empowering and supporting them to make good decisions about homeownership, and for selecting and engaging financial, real estate, legal, home inspection, and other services. In addition to the information provided, the material communicates a need for participants to exercise personal responsibility and to be knowledgeable about consumer decisions.

In southern communities, homeownership education is provided by the housing authorities. In the North, SHC partnered with Northlands Regional College, who delivered the program to five northern communities in 2006. SHC is continuing to work with Northlands Regional College to tailor this training to the needs of northern residents and to make it more accessible to those who are interested in becoming homeowners. In the future, SHC will develop educational materials for tenants including a handbook that will highlight the rights and obligations of landlords and tenants.

Objective 2.4: Increase income adequacy of low-income households by supporting employment

Social Housing Management Learning Program (SHMLP)

SHC partners with the Saskatchewan Institute of Applied Science and Technology (SIAST), Northlands Regional College, Real Estate Institute of Canada (REIC), and northern housing authorities, to deliver the Social Housing Management Learning Program (SHMLP), previously known as the Social Housing Management Training Program. This applied certificate program, open to both youth and mature students, provides students with the knowledge and skills needed to manage a portfolio of houses and apartment buildings. The program strengthens the capacity of northern housing agencies and individuals to manage and administer their local social housing programs. The program has contributed to capacity building in the North and has worked to achieve a representative presence of local northern people in housing management.

Since its pilot launch in November of 1999, the program has been delivered three times and has graduated a total of eighteen northerners. Most graduates continue to work in the housing network, and the northern housing authorities have demonstrated considerable growth in their capability to manage SHC's stock of social housing in their respective communities. Another round of the Social Housing Management Learning Program will start in 2007.

In 2006, SHC focused on providing separate in-house learning opportunities for housing authority board members, managers, maintenance supervisors, and front-line administrative assistants. These sessions and workshops helped build the capacity of housing authorities by developing and relating learning content to actual practice. By having opportunities to share ideas and practice with each other, participants themselves help to build "best-practice" in field operations.

Thom Carpentry Apprenticeship Program (T-CAP)

An innovative, collaborative initiative that gives high school students experience in the construction industry while helping to meet affordable housing needs in Regina was announced in September 2006 by SHC, the Regina Public Schools, the Saskatchewan Apprenticeship Commission, the Saskatchewan Construction Safety Association and other industry associations and suppliers. The Thom Collegiate Carpentry Apprenticeship Program (T-CAP) engages Thom Collegiate's Grade 11 and 12 students in all aspects of the housing construction industry while promoting team building and leadership skills. Under the guidance of a teacher-mentor, students will use their skills to build two homes from start to finish during the 2006-07 school year. Once the homes are completed, the Regina Housing Authority will make them available to low-income Regina families.

Goal 3 – Efficiency in Housing Markets – helping the public, private, and non-profit housing sectors respond to housing needs of all Saskatchewan households.

Objective 3.1: Protect and improve affordable housing units through repair and renovation

In 2006, SHC made approximately 1,170 commitments to fund repairs and renovations through various programs. Repair programming is a key component of the provincial housing strategy to improve the quality of housing. The Residential Rehabilitation Assistance Program (RRAP) provides forgivable loans to low-income homeowners, and to rental-property owners or non-profit housing groups that house low-income tenants, to upgrade their properties to minimum health and safety standards. Repairs must correct a major deficiency in at least one of the following housing systems: structural, heating, plumbing, electrical, or fire safety. Eligible repairs are those that bring the dwelling up to a minimum standard of health and safety and extend the useful life of the home by at least 15 years.

The program can also be used to make homes accessible for people with disabilities or seniors, enabling them to live independently. RRAP is well recognized in Saskatchewan as an important housing resource for low-income households and persons with disabilities. RRAP consists of six components, including Homeowner RRAP, RRAP for Persons with Disabilities, Rental RRAP, Emergency Repair Program (ERP), Home Adaptations for Seniors Independence (HASI), and Shelter Enhancement. RRAP funding is cost-shared between CMHC and SHC.

Introduced in 2005, two provincial programs are intended to expand the options currently offered through the cost-shared repair programs and will enable more low-income homeowners, tenants, persons with disabilities, and landlords to improve their properties.

The Saskatchewan Emergency Repair Program (SERP) is targeted to low-income homeowners, living in communities with more than 2,500 people, to make emergency repairs for continued safe occupancy of their homes. SERP is a companion program to the Emergency Repair Program (ERP), a federal-provincial cost-shared program targeted to people living in communities with less than 2,500 people.

The Saskatchewan Rental Repair Program (Saskatchesan Rental Repairs) provides financial assistance to rental property owners who want to repair their self-contained rental units or rooming houses in order to bring their properties to a standard that would enable their tenants to qualify for the Saskatchewan Rental Housing Supplement (SRHS). Repairs are intended to address immediate health and safety issues as identified through the SRHS.

Objective 3.2: Increase energy efficiency in government-assisted and private housing

Plans were announced in 2006 for a new energy efficient, 29-unit CAHP housing project in Regina's core community. Maple Leaf Estates will provide safe, quality, affordable housing, contribute to inner city revitalization, and sustain a green environment by being built to R-2000 standards. There will be two-bedroom, mobility-accessible bungalows and three-bedroom, two-storey units. Construction is currently underway and the units are expected to be ready for occupancy in summer 2007.

Energy consumption has become very important in recent years, given the increase in energy costs and its linkage to housing affordability. SHC is committed to a greener environment and continually makes efforts to reduce energy consumption and reduce greenhouse gas emissions.

2006 marks the fourth year of SHC's Energy Conservation Opportunities Plan (ECOplan), which is a five-year initiative to reduce energy consumption within SHC's Social and SHC-owned Affordable Housing for seniors by 10%. The accumulated annual energy savings from the inception of ECOplan to the end of 2006 is in excess of $0.9 million, and it is expected that savings will exceed its original goal of $1 million annually by the end of 2007.

There were over 180 separate tasks executed under ECOplan in 2006 to improve energy efficiency within the portfolio, where most of the work consisted of improving the efficiency of heating and ventilation equipment. The successful implementation of these energy efficiency initiatives would not be possible without the assistance of the mechanical systems specialists, SHC inspectors and housing authority maintenance staff.

In addition to implementing energy efficiency measures, SHC raised its minimum energy efficiency standard for gas furnaces. All new and replacement furnaces now must meet the ENERGY STAR rating. SHC will continue to review energy efficiency technologies and implement new standards as these technologies become more practical and affordable.

Saskatchewan Home Energy Improvement Program (SHEIP)

In August 2006, SHC in cooperation with SaskEnergy started delivering the Saskatchewan Home Energy Improvement Program (SHEIP) for Low-Income Households and SHEIP for Moderate-Income Homeowners, which are two programs that help low and moderate-income homeowners and rental property owners housing low-income tenants undertake energy efficiency retrofits that would make housing more affordable and reduce greenhouse gas emissions. Saskatchewan will allocate $16.5 million towards low-income households and $5.5 million for moderate-income homeowners. These programs are expected to assist a total of 6,800 households.

As of December 31, 2006 the SHEIP program has helped 1,782 households: 863 low-income homeowners have received commitments at an average of about $3,900; 799 moderate-income homeowners have received an average commitment of about $2,600; and 74 landlords that house low-income tenants have received a commitment for 120 units at an average of about $2,250 per unit.

Objective 3.3: Increase partnerships with the private sector, other governments, Aboriginal organizations, and communities to expand the stock of affordable housing

Individuals, communities, the housing industry, all levels of government, and indeed all stakeholders have a shared responsibility and accountability for good housing outcomes. SHC will continue to become increasingly engaged with its many stakeholders and housing partners to work collaboratively to address housing issues. This includes collaborative relationships with other levels of government and other government departments and agencies within Saskatchewan in order to integrate housing with other government services.

Combating Homelessness

The Province has participated in a number of projects that combat homelessness, such as the Hope Centre which is a rental housing complex for single parents in Meadow Lake. The project was undertaken by the Meadow Lake Outreach Ministries Inc. (MLOM) and is supported through CAHP and the National Homelessness Initiative (NHI). The housing project features fourteen housing units, including one-, two- and three-bedrooms, for low-income, single parents. There are also two transitional housing units for single parents requiring a short-term stay in safe housing.

Housing Trusts

The Government of Canada has provided Saskatchewan with $24.2 million for the Affordable Housing Trust and $26.4 million for the Off-Reserve Aboriginal Housing Trust, for a total of $50.6 million in federal funding over three years. It is anticipated that delivery with this new funding will begin in 2007. The Housing Trusts are intended to support capital investments to increase the supply of affordable housing (rental and owner), including transitional and supportive housing. SHC has been working to establish meaningful partnerships that will provide First Nations and Métis organizations and people with an increased role in decision-making in housing matters and build capacity within their communities.

Affordable Housing Weeks

The Regina Affordable Housing Week (November 2006) was supported by SHC, Service Canada, CMHC, and the City of Regina. A number of events occurred throughout the week including project announcements, a public forum on affordable innovative housing solutions, an affordable housing bus tour, core community forums, and an SHC-hosted CAHP Homeownership Option information night.

The Saskatoon Affordable Housing Week (October 2006) was supported by SHC, CMHC, the City of Saskatoon, and the Saskatoon Housing Initiatives Partnership (SHIP). The week's events included project announcements, opportunities to learn about sustainable housing, a workshop for builders and lenders, an affordable housing bus tour, and an SHC-hosted rental housing information breakfast.

Objective 3.4: Effective housing regulations that support health, safety, and affordability in housing markets

Community Resources has partnered with the City of Saskatoon, City of Regina and a local contractor in Prince Albert to complete health and safety inspections on behalf of the Saskatchewan Rental Housing Supplement (SRHS). This has provided the opportunity for the City inspectors to combine by-law enforcement with the SRHS health and safety inspections. Approximately 200 cases are randomly selected each month, and this inspection process has contributed to change in the behaviour of renters (such as moving to quality housing) and landlords (such as making improvements to properties).

An evaluation of the SRHS is underway which will formally assess program outcomes and provide information as to what is required for future programming. Results are expected in spring 2007. The Department of Community Resources is working on a community-based strategy to expand awareness and increase the profile of the SRHS.

Saskatchewan Housing Research Program (SHRP)

SHC conducted its first call for research proposals under the SHRP from November 2005 to January 2006, with the theme of equity, self-sufficiency,

and efficiency in housing. Applications were reviewed and evaluated by a housing research committee, including experienced researchers and representatives from government and academic institutions. Two successful projects were chosen based on specific criteria with the goal of providing financial assistance to qualified researchers who are conducting high quality investigations on relevant topics related to housing in Saskatchewan. The first project focuses on factors contributing to homelessness among federally-released offenders and the second project is related to the energy efficiency of hydronic radiant slab heating in housing. Both research projects are anticipated to be completed in 2007. A second call for research proposals was undertaken in late summer 2006, with the themes of improving housing conditions for Aboriginal households; revitalizing inner city communities; and strengthening northern communities. Research contracts and funding are expected to be in place by early 2007.

Objective 3.5: Improve the coordination of housing policies with economic development, inner city and northern revitalization strategies

The most serious housing needs in the province are concentrated in specific geographic locations including the North and inner city neighbourhoods. Inner city areas of major urban centres have higher concentrations of rental housing, dwellings in need of major repair, and older housing stock. A significant increase in household formation in some northern communities has led to an increase in the number of people urgently in need of affordable housing.

The housing initiatives under HomeFirst create employment opportunities, which in turn contribute to strengthening the economy, and they make communities better places to live. Numerous housing projects have been developed in inner city neighbourhoods and northern communities, such as Bedrock Manor which opened in Creighton in November 2006. The twelve-unit affordable rental housing project for low to moderate-income seniors was funded through CAHP. The project sponsor, Bedrock Property Group, also received additional CAHP funding for another twelve-unit apartment complex for low to moderate-income seniors, which is expected to be completed in 2007.

As well, a fifty-five unit rental housing project will be built in Saskatoon for low-income families. This CAHP-funded project will contribute to the rejuvenation of the Pleasant Hill neighbourhood. Included in the project is a 37-unit apartment building with two-, three- and four-bedroom units, and an 18-unit complex featuring two- and three-bedroom townhouses that may be offered as affordable homeownership opportunities in the future.

Housing programs and services have been coordinated with economic development planning and inner city and northern strategies. SHC is part of various committees, including those involved with homelessness, northern issues, and inner city issues. SHC has worked towards developing polices and delivery vehicles that not only respond to community needs, but which also maximize their capacity-building features, creating positive economic impacts and stimulating and supporting local housing markets.

In 2006, SHC's Northern Housing Operations conducted a series of contractor workshops in nine northern communities, in partnership with the local Community Futures Development Corporations, to help interested individuals learn how to become a building contractor and to guide existing contractors who are interested in increasing the volume and value of contracts with SHC and other customers.

Ensuring Sustainability

SHC owns approximately 18,000 social and affordable housing units across Saskatchewan. This housing portfolio has been well maintained, however its viability is at risk due to increasing operating, utility and maintenance costs as the housing stock ages. In addition, revenues – largely based on tenants' ability to pay rent – are unable to keep pace with these expenditure increases.

Most of SHC's portfolio was constructed between 20 - 30 years ago and, over the years, shifting demographics (e.g. aging population, rural to urban migration, many single parent families) have changed the ways in which Saskatchewan residents need housing. As a result, SHC has some units that are vacant, are uneconomical to operate, or are functionally obsolete. As well, some units are serving tenants who could be accommodated by the private sector, or the units can be better utilized to meet the growing demand for affordable homeownership.

2006 Activities

In response, SHC is continuing to improve management practices in government-assisted housing to ensure effective and efficient operation. By the end of 2008, SHC will make up to 1,000 selected underutilized units from the assisted rental portfolio available at fair value for alternative uses in communities across Saskatchewan. Freeing up these resources allows reallocation of on-going operating subsidies to areas of existing and emerging housing needs.

In this effort to reduce its expenses, reuse its assets, and reinvest its resources, SHC began working with communities and housing authorities in October 2005 to identify alternate uses for underutilized housing units. As of December 2006, there have been more than 220 units put to better use. Numerous opportunities are being created for affordable homeownership, investment in local private sector rental markets, or other community uses.

Access to SHC's subsidized rental programs is being maintained by ensuring sufficient stock is retained to meet current and future community needs. Major modernization and improvement is required in many of these units, in order that they continue to be sustainable into the future. As housing demand changes across the province, SHC will continue to ensure the long-term sustainability of the assisted rental portfolio.

Management's Discussion and Analysis

Strategies Toward Sustainability

Saskatchewan Housing Corporation (SHC) faces several challenges that might influence its financial position. Key among these are:

- declining federal funding under the *Social Housing Agreement (SHA)*
- evolving needs for housing stock
- an aging housing portfolio
- increasing input costs

SHC employs numerous strategies to address these issues and to mitigate their potential for negative influence on the Corporation's financial outlook.

First, in order to understand the implications of these risks, SHC develops long-term financial forecasts that test the sensitivity of the organization to changing economic conditions and program requirements. Utilization of these forecasts guide management in resource allocation strategies. These strategies are aimed at maximizing utility from all sources of funding to SHC, including its federal funding allocation which is declining according to a schedule fixed at the signing of the *SHA* in 1997.

Shifting needs for housing result in areas where new resources could well be deployed to meet demand. At the same time areas where demand is in decline results in decreased rents due to vacant units. While facing these shifting needs, SHC's housing stock has begun aging to the point where significant resources will be required for rejuvenation in the coming years. These factors will pose additional challenges to management as it continues to work to ensure the need for housing is met with quality housing product.

To address these pressures, SHC works to ensure that its investment in housing assets is optimally targeted. Part of this strategy involves renewal of the portfolio by way of selling underutilized units and redirecting proceeds to other housing initiatives. In 2006, unit sales numbered in excess of 120 resulting in net proceeds (after selling costs and net of CMHC and municipal shares) of $3.10 million.

Major additions to SHC's rental portfolio commenced in the late 1970's. These units, now approaching thirty years of age, will be making demands of SHC resources for rejuvenation in coming years. To date, SHC has managed to contain rejuvenation costs. However a longer term strategy for dealing with these needs, including dedication of financial resources, is a major focus of SHC management.

Increasing input costs for items such as utilities, maintenance salaries and materials, grants in lieu of taxes and other operating costs pose continuing management challenges. Strategies such as investments to promote energy efficiencies are delivering savings for SHC. At the same time, staff and management in the housing authority network continue to be diligent in managing their respective portfolios within responsible budget frameworks.

2006 – Overview

During the year, SHC undertook a major effort to upgrade its management information system. The project entailed upgrading of operating systems, user applications and migration of hardware to a more current and robust platform. Scheduled for completion in early 2007, the enhancements are expected to deliver improved client services through more reliable and faster response times, streamlined processes, and improved management reporting capabilities. This system is used for both SHC corporate management purposes, and for management of the network of housing authorities and regions responsible for delivering service to tenants in SHC's rental housing portfolio.

During 2006, a review of the Territory Housing Operations management structure was completed. The focus of the examination was to investigate means of improving the program, administrative, financial and accounting services that the territory structure provides to the housing authority network. As a result of the review, a Regional Housing Operation structure of four provincial regions was implemented early in 2007. The new structure will result in a more clear definition of responsibilities for regional and housing authority managements, and will see some increased centralization of financial administration to SHC's Prince Albert location.

In 2006, SHC and the housing authority network experienced a small number of minor financial misappropriations. While the amounts involved were minimal and were detected within the course of SHC's ordinary business processes, the Corporation views any such occurrence as unacceptable. Ongoing efforts continue within the organization to minimize the opportunity for any misappropriation of corporate assets.

Major Subsequent Events

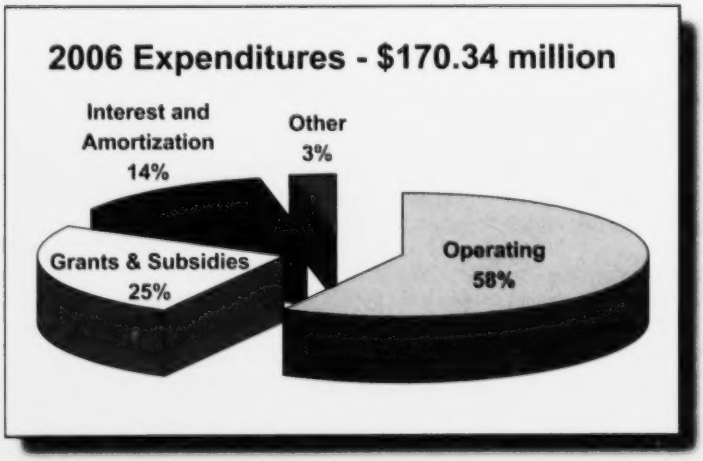
Note 20: Subsequent Events describes two major initiatives to be undertaken by SHC in 2007. As indicated, the Corporation received a transfer of $50.6 million in early 2007 for delivery of affordable housing programs under the Affordable Housing Trusts established by the federal government. During 2007, the budgetary framework within which these programs will be delivered will be developed by management for approval of the Board.

Also announced in February 2007 was a provincial initiative that will see SHC receive $60 million to undertake delivery of a number of affordable housing programs. These programs will include delivery of affordable rental and homeownership units, ongoing rent supplement programming and a training initiative to increase participation of youth in housing construction and repair projects. The budgetary framework for this initiative will be developed by management for approval of the Board during 2007.

2006 – Results of Operations

Expenditures

Saskatchewan Housing Corporation expenditures for 2006 were $170.34 million, an increase of $2.84 million or 1.7% over 2005.



Cost of operating the rental housing portfolio (excluding amortization) rose to $98.52 million, an increase of $0.64 million (0.7%) over 2005. Major elements of operating cost for 2006 included:

- maintenance and rejuvenation $35.57 million (2005 - $35.46 million)
- utilities $18.49 million (2005 – $18.29 million)
- grants in lieu of property taxes $16.92 million (2005 - $16.67 million)

Grants and subsidies expenditures increased by $4.93 million to $42.33 million (2005 – $37.40 million). Major changes for 2006 included:

- on-going operating subsidies declined by $1.59 million to $19.42 million (2005 – $21.01 million)
- forgivable loans under the affordable housing and renovation program agreements increased by $5.32 million to $17.67 million (2005 - $12.35 million)
- grants for the initial year of the Saskatchewan Home Energy Improvement Program totalled $2.05 million

Amortization was $2.96 million lower in 2006 at $17.67 million (2005 – $20.63 million). Lower writedowns for chronically vacant units contributed to the lower expense.

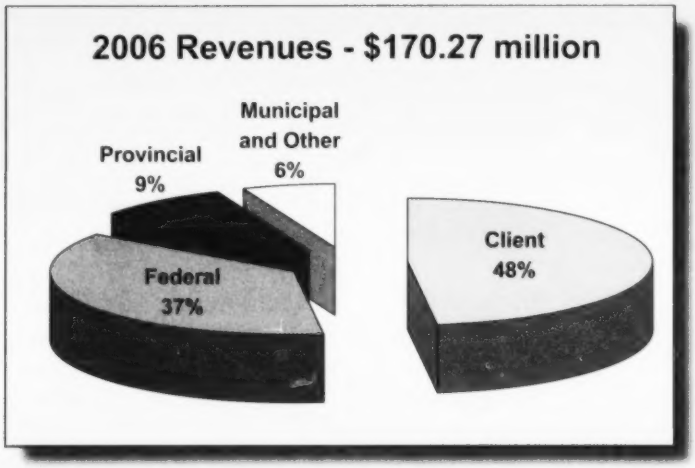
Revenues

Overall revenues for SHC were $170.27 million for 2006, a slight increase of $2.94 million over 2005 ($167.33 million).

Rents and other income from clients increased by $1.47 million in 2006 to $80.94 million (2005 - $79.47 million). This continued to represent approximately 48% of SHC's total revenue.

Other revenue items of note include:

- federal contributions of $62.90 million (2005 - $63.30 million) including higher grant revenues under the affordable housing and renovation program agreements
- provincial funding of $15.69 million (2005 - $16.38 million)
- gains on disposals of properties of $3.48 million (2005 - $1.85 million)



2006 Financial Position

Under the *Social Housing Agreement*, and in accordance with Generally Accepted Accounting Principles, SHC is able to defer to future years amounts received, but unexpended, in any given year. These Deferred Federal Contributions must be used for eligible program expenditures as specified in the agreement. During 2006, SHC deferred an additional $14.04 million to future periods. Total accumulated deferrals were $166.26 million at December 31, 2006.

Operating activities generated in excess of $36 million in cash flow contributing to SHC's year end holdings of cash and cash equivalents of $45.03 million.

Required sinking fund installments and earnings on sinking fund balances served to reduce SHC's reported long-term debt by $3.81 million to $50.43 million at year-end.

2007 – Looking Ahead

2007 will see SHC complete its systems upgrade project and the transition to the Regional Housing Operations structure. Full implementation of these initiatives will provide two additional tools for SHC to utilize in managing the pressures and risks that the Corporation faces as it develops strategies to continue to meet its mandate – and to do so within the financial limits facing the organization.

As indicated in the table below, SHC anticipates doing so with total planned expenditures of nearly $216 million in 2007. The coming year envisions a major commitment to rejuvenation efforts within the portfolio, and significant cash disbursements for previous commitments under various subsidy programs.

Saskatchewan Housing Corporation

Summary of Key Financial Operating Results
2003 – 2006
(thousands)

	2003	2004	2005	2006	2007 Plan
Rent, operating income and other contributions	$ 82,786	$ 85,116	$ 87,660	$ 91,684	$ 92,732
Recognized provincial contributions	24,366	18,816	16,376	15,693	27,926
Recognized federal contributions	42,636	66,983	63,299	62,896	95,235
Total revenues	**$149,788**	**$170,915**	**$167,335**	**$170,273**	**$215,893**
Operating and other charges	96,843	99,931	102,645	103,889	120,283
Grants and subsidies	33,694	41,571	37,403	42,332	74,690
Amortization	11,734	22,387	20,631	17,670	17,036
Interest	7,926	7,097	6,817	6,445	3,884
Total expenses	**$150,197**	**$170,986**	**$167,496**	**$170,336**	**$215,893**
Excess of expenses over revenues	**$ 409**	**$ 71**	**$ 161**	**$ 63**	**$ 0**

2006 Financial Results

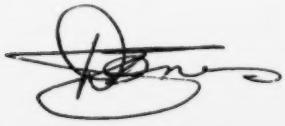
Management's Responsibility for the Consolidated Financial Statements of Saskatchewan Housing Corporation

These consolidated financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. The statements have been prepared in accordance with Canadian generally accepted accounting principles. Where necessary, the statements include estimated amounts that are based on informed judgements by management, giving appropriate consideration to reasonable limits of materiality. In the opinion of management, the statements present fairly, in all material respects, the financial position, results of operations, and cash flows of Saskatchewan Housing Corporation. Financial information presented elsewhere in this annual report is consistent with the consolidated financial statements and the underlying information from which the financial statements were prepared.

Management is responsible for maintaining a comprehensive system of accounting records, internal controls, policies and management practices, designed to provide reasonable assurance that transactions are properly authorized and in compliance with legislation, assets are safeguarded, and financial records provide relevant and reliable information.

The Corporation's Board is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control. In this regard, the Board meets periodically with management and with the external auditors to discuss matters relating to financial reporting, internal control and audits.

The consolidated financial statements have been approved by the Corporation's Board and by Treasury Board and have been examined by external auditors appointed by the Lieutenant Governor in Council. The responsibility of the external auditors, KPMG LLP, is to report to the Members of the Legislative Assembly regarding the fairness of presentation of the Corporation's financial position, results of operations and cash flows as shown in the consolidated financial statements. The Auditors' Report outlines the scope of their examination and expresses their opinion.



Darrell Jones
President
March 14, 2007

Don Allen
Chief Financial Officer

Auditors' Report

To the Members of the Legislative Assembly, Province of Saskatchewan

We have audited the consolidated statement of financial position of the Saskatchewan Housing Corporation as at December 31, 2006, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2006, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants
Regina, Saskatchewan
March 14, 2007

Saskatchewan Housing Corporation
Consolidated Statement of Financial Position

As at December 31

(thousands)

	2006	2005
Assets		
Investment in properties (note 3)	$ 219,860	$ 226,704
Land (note 4)	4,837	5,123
System development (note 5)	2,571	2,948
Loans receivable (note 6)	2,136	2,214
Accounts receivable	18,509	18,557
Cash and cash equivalents	45,030	14,382
	$ 292,943	**$ 269,928**
Liabilities, Deferred Contributions and Net Assets		
Liabilities and Deferred Contributions:		
Long-term debt (note 7)	$ 50,428	$ 54,237
Life interest agreements	11,855	12,136
Land profits holding account (note 8)	4,634	3,399
Accounts payable and accruals	14,968	15,476
Deferred federal contributions (note 9)	166,255	152,217
Deferred provincial contributions (note 10)	20,730	8,897
Other deferred contributions related to capital assets (note 11)	3,528	2,958
	$ 272,398	**$ 249,320**
Net Assets:		
Internally restricted net assets (note 12)	$ 18,702	$ 18,587
Unrestricted net assets	1,843	2,021
	$ 20,545	**$ 20,608**
	$ 292, 943	**$ 269,928**

Contingencies and contractual obligations (notes 17 and 18)

See accompanying notes to the consolidated financial statements.

On behalf of the Board:

Duncan Fisher, Member

Saskatchewan Housing Corporation
Consolidated Statement of Operations

For the year ended December 31

(*thousands*)

	2006 Planned	2006 Actual	2005 Actual
Revenues:			
Rents and other income	$ 79,726	$ 80,938	$ 79,469
Land sales	4,705	6,211	5,258
Gain on disposal of properties (note 3(c))	300	3,481	1,852
Federal contributions:			
Social Housing Agreement (note 9)	61,463	52,527	55,107
Affordable Housing Program Agreement (note 9)	19,712	3,785	3,921
Housing Renovation Program Agreement and other	9,264	6,584	4,271
Provincial contributions:			
Operating	13,825	12,200	14,011
Centenary Fund (note 10(a))	162	1,446	2,365
Home Energy Improvement Program (note 10(b))	7,500	2,047	- - -
Other contributions	2,857	1,054	1,081
	$ 199,514	**$ 170,273**	**$ 167,335**
Expenses:			
Operating (note 14)	$ 105,747	$ 98,518	$ 97,881
Grants and subsidies (note 15)	66,571	42,332	37,403
Amortization of investment in properties	17,723	17,670	20,631
Interest expense (note 16)	6,539	6,445	6,817
Cost of land sales	4,235	4,981	4,353
Other charges	140	390	411
	$ 200,955	**$ 170,336**	**$ 167,496**
Excess of expenses over revenues	**$ 1,441**	**$ 63**	**$ 161**

See accompanying notes to the consolidated financial statements.

Saskatchewan Housing Corporation
Consolidated Statement of Changes in Net Assets

For the year ended December 31

(thousands)

	2006	2005
Internally Restricted Net Assets:		
Balance, beginning of year	$ 18,587	$ 18,736
Net transfers from (to) unrestricted net assets (note 12)	115	(149)
Balance, end of year	**$ 18,702**	**$ 18,587**
Unrestricted Net Assets:		
Balance, beginning of year	$ 2,021	$ 2,033
Excess of expenses over revenues	(63)	(161)
Net transfers from (to) internally restricted net assets (note 12)	(115)	149
Balance, end of year	**$ 1,843**	**$ 2,021**
Net assets, end of year	**$ 20,545**	**$ 20,608**

See accompanying notes to the consolidated financial statements.

Saskatchewan Housing Corporation
Consolidated Statement of Cash Flows

For the year ended December 31

(thousands)

Cash Provided By (Used In):	2006	2005
Operating Activities:		
Excess of expenses over revenues	$ (63)	$ (161)
Items not affecting cash:		
Amortization of investment in properties	17,670	20,631
Cost of land sales	4,981	4,353
Amortization of system development costs	377	376
Other charges	849	328
Interest on sinking funds	(2,339)	(602)
Gain on disposal of properties	(3,481)	(1,852)
Federal contributions related to capital assets recognized as revenue	(1,713)	(1,538)
Centenary Fund contributions recognized as revenue	(1,446)	(2,365)
Other contributions related to capital assets recognized as revenue	(272)	(432)
Decrease (increase) in non-cash working capital balances related to operations	1,311	(4,376)
Increase in deferred federal contributions for expenses of future periods	7,173	14,676
Deferred provincial contributions - Home Energy Improvement Program	13,279	- - -
	$ 36,326	$ 29,038
Investing Activities:		
Investment in properties	$ (11,309)	$ (7,517)
Investment in land	(6,387)	(4,288)
Reduction in loans receivable	70	292
Proceeds from disposal of properties	4,278	1,989
	$ (13,348)	$ (9,524)
Financing Activities:		
Repayment of long-term debt	$ (885)	$ (836)
Sinking fund payments (note 7)	(585)	(38,321)
Life interest agreement proceeds net of refunds	(281)	3,261
Federal contributions allocated to capital assets	8,579	1,568
Other contributions designated for capital assets	842	177
	$ 7,670	$ (34,151)
Net increase (decrease) in cash position	$ 30,648	$ (14,637)
Cash and cash equivalents, beginning of year	$ 14,382	$ 29,019
Cash and cash equivalents, end of year	$ 45,030	$ 14,382

See accompanying notes to the consolidated financial statements.

Saskatchewan Housing Corporation
Notes to Consolidated Financial Statements

December 31, 2006

Note 1: Status of the Corporation

The Saskatchewan Housing Corporation operates under the authority of *The Saskatchewan Housing Corporation Act*. Pursuant to section 36 of the Act, the Corporation receives contributions from the Government of Saskatchewan - General Revenue Fund.

The Corporation's general objectives are to undertake, facilitate, and promote measures which will contribute to the availability of adequate and affordable housing for all Saskatchewan residents, and in particular the provision of housing for senior citizens, families, the disabled and other groups or persons who require assistance. The Corporation also undertakes, facilitates and promotes measures to repair, rehabilitate and make improvements to housing.

The Corporation has been designated as a provincial Treasury Board Crown Corporation. Accordingly, its financial position, operating results and cash flows are included in the summary financial statements of the Government of Saskatchewan. As a Crown entity, the Corporation is not subject to federal income tax or provincial income and capital taxes.

Note 2: Significant Accounting Policies

The policies used in preparing the Corporation's consolidated financial statements are in accordance with Canadian generally accepted accounting principles.

Basis of consolidation

The consolidated financial statements include the accounts of Saskatchewan Housing Corporation and local or regional housing authorities throughout the Province, controlled by the Corporation.

Housing authorities are incorporated bodies with no share capital, established by ministerial order pursuant to subsection 18 (1) of *The Saskatchewan Housing Corporation Act*. They provide community-based property management services and deliver programs on behalf of the Corporation. Housing authorities are controlled by the Corporation by virtue of the fact that the Minister-in-charge of the Corporation has the legislative authority to appoint the members of each housing authority. Also, subsection 18 (9) of *The Saskatchewan Housing Corporation Act* provides that housing authorities must comply with policies established by the Corporation.

Transactions and account balances between the Corporation and housing authorities have been eliminated in these consolidated financial statements.

Revenue recognition

The Corporation follows the deferral method of accounting for contributions.

Provincial operating contributions provided through the Department of Community Resources are unrestricted in nature, subject only to the broad provisions of section 36 of *The Saskatchewan Housing Corporation Act*. Accordingly, these contributions are recognized as revenue in the year they are received. Provincial contributions that are restricted for a specified purpose (note 10) are deferred and are recognized as revenue when the related expenses are incurred.

Federal contributions provided by Canada Mortgage and Housing Corporation (CMHC) are restricted in accordance with provisions of the Social Housing Agreement and the Affordable Housing Program Agreement (note 9) and the Housing Renovation Program Agreement (note 15). Accordingly, federal contributions are recognized as revenue in the year in which the related expenses are incurred. For housing programs within the scope of the Social Housing Agreement, federal contributions are recognized as revenue after the application of provincial operating contributions. Federal contributions used or committed toward investments in properties and related capital assets are allocated to Deferred federal contributions - capital assets, and are recognized as revenue on the same basis as the amortization of the related assets.

Note 2: Significant Accounting Policies, continued

Revenue from property operations is recognized at the time the accommodation has been provided and there is reasonable assurance regarding collectability of the amount due from the resident household. If there is significant uncertainty as to ultimate collection, revenue is recognized when cash is received.

Sales of land intended for single family residential development are recorded at the earlier of receipt of total sale proceeds or completion of the first floor joist stage of construction. Other land sales are recorded at the earlier of receipt of total sale proceeds or the date by which all material conditions required of the Corporation as specified in the sales agreement have been satisfied, and effective control of the property has passed to the purchaser.

The cost of land sales is allocated in proportion to anticipated sales revenue for each development project.

Grants and subsidies

Grants are recognized as an expense when an application for assistance has been approved and performance requirements have been met by the client.

Subsidy assistance is provided to non-profit housing sponsors and co-operatives in accordance with operating agreements that set forth either a specified amount of assistance to be provided each year or the basis on which eligibility for assistance will be determined. For the latter type of operating agreements, subsidy assistance is recognized as an expense based on actual or estimated costs incurred by each housing sponsor in the year.

Grants and subsidies expense includes charges recorded for delivery and administration of programs.

Investment in properties

Investment in properties is carried at cost (which includes land, acquisition or construction, administrative and carrying costs), less accumulated amortization. The recorded cost of certain properties is net of amounts provided by CMHC and municipalities in consideration for an ownership interest in the properties.

Amortization expense is recorded on a straight-line basis over periods of up to forty years. On an ongoing basis, management reviews estimates of the useful life of properties, in the context of their respective service potential. These estimates are used to determine the periods over which the investment is amortized. Adjustments to amortization periods are accounted for on a prospective basis.

For properties whose service potential is impaired, due to a decline in the local demand for rental accommodation or other circumstances, the carrying amount is written down in proportion to the number of housing units for which vacancies are assessed by management as other than temporary in nature.

Properties held for sale are recorded at the lower of the carrying amount and fair value net of selling costs. Amortization is not recorded while a property is classified as held for sale. A property is classified as held for sale at the time the property is available for immediate sale, management has committed to a plan to sell the property and is actively marketing the property for sale at a price that is reasonable in relation to the fair value of the asset, and a sale is probable and expected to be completed within a one-year period.

Land

Land is recorded at the lower of fair value and cost (which includes acquisition, development, administrative and carrying costs). Fair value is based on recent sales transactions for similar land parcels.

Note 2: Significant Accounting Policies, continued

Interest capitalization

Interest is capitalized on housing and residential land development projects at rates established at individual project commitment dates, based on approximate market rates at the time.

System development

Software license acquisitions and related applications development for which the total project cost is over $250,000 are capitalized. System development costs are amortized from the date the system is placed in use, over the estimated useful life of up to ten years.

Loans receivable

Loans receivable are recorded at cost less an allowance for impairment. Cost includes amounts advanced, accrued interest and other charges, less repayments and subsidies.

The allowance for impairment is determined on the basis of a review of individual clients' payment records. Generally, management considers an account to be impaired if there is no longer reasonable assurance of timely collection of the full amount of principal and interest. Management also takes into consideration the estimated realizable value of mortgage security where applicable.

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, balances with banks, and investments in money market instruments with a maturity of four months or less from the date of acquisition, net of outstanding cheques. Cash equivalents are carried at cost, which approximates fair value.

Life interest agreements

The Corporation has received interest-free advances from the residents of certain seniors' housing projects in consideration for a life interest in a designated housing unit. Amounts received in respect of individual agreements are refundable to the residents or to their estate following termination of the life interest agreement, and are recorded as a liability of the Corporation.

Guarantees and indemnities

Losses on guarantees and indemnities are provided for on the basis of an assessment of mortgage accounts that are in arrears, taking into consideration the fair value of the associated property net of selling costs.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. In determining estimates for the carrying amount and amortization of investment in properties, management assesses the service potential of properties and economic conditions that prevail and are expected to prevail. Due to the inherent uncertainty involved in such assessments, actual results could differ from management's estimates. Estimates are also required in determining the fair value of long-term debt for disclosure purposes.

Note 3: Investment in Properties

(*thousands*)

a) Carrying Amount

			2006	2005
	Cost	Accumulated Amortization	Carrying Amount	Carrying Amount
Wholly-owned housing projects	$ 193,429	$ 64,181	$ 129,248	$ 133,699
Housing investment	153,870	72,648	81,222	90,004
Construction in progress	7,564	- - -	7,564	2,174
Other properties	882	112	770	805
Held for sale	2,288	1,232	1,056	22
	$ 358,033	**$ 138,173**	**$ 219,860**	**$ 226,704**

The carrying amount of Investment in properties is dependent upon the continued receipt of contributions from CMHC and from the General Revenue Fund.

Housing investment represents the Corporation's ownership interest in housing projects constructed or acquired pursuant to partnership agreements. The Corporation's cost is net of amounts provided by CMHC and municipalities in consideration for an ownership interest in the housing projects.

The Corporation and CMHC have executed a Declaration of Trust by which the Corporation is trustee for CMHC's ownership interest in partnership and 100% CMHC-owned housing projects. CMHC's ownership interest will be earned by the Corporation over the remainder of each project's CMHC subsidy commitment period, in amounts which correspond to CMHC's annual amortization of the assets. Accordingly, no increase in Investment in properties was recorded by the Corporation.

b) Writedown of Vacant Housing Units

The service potential of certain properties is impaired due to a decline in the local demand for rental accommodation or other circumstances, which result in vacancies assessed by management as other than temporary in nature. A writedown of vacant housing units totalling $780 (2005 - $2,690) is included in Amortization expense.

c) Disposal of Properties

During 2006 the Corporation disposed of certain properties, comprised mostly of single-family homes located in rural and northern communities. Proceeds, net of CMHC's share and the municipal share where applicable, were $ 4,278 (2005 - $1,989). A gain on disposal of $3,481 (2005 - $1,852) was recognized.

The annual operating revenues and expenses in respect of the properties disposed of during 2006, or held for sale as at December 31, 2006, are not material to the Corporation's consolidated operations.

Note 4: Land

(*thousands*)

			2006	2005
	Cost	Accumulated Provision for Loss	Carrying Amount	Carrying Amount
Developed and under development	$ 6,233	$ 2,073	$ 4,160	$ 4,295
Held for future development	18,680	18,003	677	828
	$ 24, 913	**$ 20,076**	**$ 4,837**	**$ 5,123**

Note 5: System Development

(*thousands*)

			2006	2005
	Cost	Accumulated Amortization	Carrying Amount	Carrying Amount
Software license and upgrades	$ 872	$ 276	$ 596	$ 683
Applications development	2,891	916	1,975	2,265
	$ 3,763	**$ 1,192**	**$ 2,571**	**$ 2,948**

Amortization of system development costs of $377 (2005 - $376) is included in Other operating expenses.

Note 6: Loans Receivable

(*thousands*)

Loans receivable are comprised of mortgages with an amortized cost of $2,183 (2005 - $2,260) and other loans with an amortized cost of $156 (2005 - $182), less an allowance for impairment of $203 (2005 - $228).

Note 7: Long-term Debt

(*thousands*)

		2006	2005
Advances repayable to the General Revenue Fund:			
Year Repayable	**Weighted Average Interest Rate (%)**		
2008	5.50	$ 6,500	$ 6,500
2009	5.05	24,500	24,500
2019	6.27	31,106	31,106
2020	6.48	20,898	20,898
		$ 83,004	$ 83,004
Less: sinking funds accumulated to retire debt		45,661	42,737
		$ 37,343	$ 40,267
Mortgages payable to CMHC, secured by certain wholly-owned housing projects, due at various dates from December 1, 2011 to September 1, 2012, repayable in monthly installments of $140 including interest at rates from 5.52% to 6.24%		13,085	13,970
		$ 50,428	**$ 54,237**

Under conditions attached to certain advances from the General Revenue Fund, the Corporation is required to pay annually into sinking funds administered by the Saskatchewan Department of Finance a minimum of one per cent of the advances outstanding. The investments held in the sinking funds are primarily Province of Saskatchewan debt instruments, with a weighted average yield of 5.84% (2005 – 6.06%).

For the year ended December 31, 2006, sinking fund payments included required instalments of $585 (2005 - $585) and discretionary payments of $0 (2005 - $37,736).

Sinking fund instalments and principal repayments (net of sinking funds) due in each of the next five years are as follows:

2007	$ 1,521
2008	1,623
2009	2,585
2010	1,634
2011	2,593

Note 8: Land Profits Holding Account

Profits earned on residential land development projects are distributed in accordance with the terms of development agreements with the participating municipalities. These agreements specify that profits are to be transferred to a holding account for use in development of capital projects in the municipality as approved by the Corporation, including Social Housing or Affordable Housing projects. Interest is credited to the municipal share of the holding account balance at the average rate earned by the Corporation on investments in money market instruments.

Note 9: Deferred Federal Contributions

(*thousands*)

	2006	2005
Expenses of future periods	$ 137,615	$ 130,443
Capital assets	28,640	21,774
	$ 166,255	**$ 152,217**

a) Expenses of Future Periods

	Social Housing Agreement	Affordable Housing Program Agreement	2006 Total	2005 Total
Balance, beginning of year	$ 121,172	$ 9,271	$ 130,443	$ 115,767
Contributions from CMHC	56,761	8,807	65,568	70,808
Interest credited	4,967	- - -	4,967	3,110
Contributions allocated to capital assets	(6,250)	(2,329)	(8,579)	(1,568)
Recognized as revenue	(51,069)	(3,715)	(54,784)	(57,674)
Balance, end of year	**$ 125,581**	**$ 12,034**	**$ 137,615**	**$ 130,443**

Pursuant to the Social Housing Agreement, which took effect on January 1, 1997, CMHC will pay fixed annual contributions to the Corporation over the remainder of the CMHC subsidy commitment period for individual housing projects. The Agreement provides that at least a specified amount of the annual federal contributions must be applied toward housing programs which assist low income households, as defined in the Agreement. The portion of federal contributions that may be applied toward other housing programs within the scope of the Agreement is similarly specified. Interest is credited to Deferred federal contributions – expenses of future years in accordance with the Agreement. Unexpended federal contributions must be carried forward by the Corporation for use toward expenses of future periods. Such contributions must be fully used, in accordance with the Agreement, by the Funding Expiration Date of December 31, 2038.

The objective of the Affordable Housing Program Agreement, which took effect on January 1, 2001, is to increase the off-reserve supply of affordable housing in Saskatchewan. The Agreement provides for CMHC to make matching contributions to the Corporation of up to $22,930 over a period ending March 31, 2007, based on cumulative Provincial contributions and contributions by other stakeholders used to fund eligible grant payments, subsidy commitments and investments in housing projects. Federal contributions used by the Corporation for these purposes and for management services associated with delivery of programs are recognized as revenue in the year in which the related expenses are incurred.

On January 20, 2005, the Corporation and CMHC executed a Supplementary Agreement to the Affordable Housing Program Agreement. The Supplementary Agreement provides for CMHC to make additional matching contributions to the Corporation of up to $10,090 over a period ending March 31, 2008. These "Phase II" federal contributions must be used to provide housing principally for the benefit of low income households.

Note 9: Deferred Federal Contributions, continued

b) Capital Assets

	Social Housing Agreement	Affordable Housing Program Agreement	Other Agreements	2006 Total	2005 Total
Balance, beginning of year	$ 18,913	$ 1,567	$ 1,294	$ 21,774	$ 21,744
Contributions allocated	6,250	2,329	---	8,579	1,568
Recognized as revenue	(1,458)	(70)	(185)	(1,713)	(1,538)
Balance, end of year	**$ 23,705**	**$ 3,826**	**$ 1,109**	**$ 28,640**	**$ 21,774**

The Social Housing Agreement and the Affordable Housing Program Agreement provide that the Corporation may allocate federal contributions to investments in properties and related capital assets owned by the Corporation. Deferred federal contributions related to capital assets represent the unrecognized amount used or committed for that purpose, and include certain federal contributions received pursuant to other agreements. These contributions are recognized as revenue on the same basis as the amortization of the related assets.

Note 10: Deferred Provincial Contributions

(thousands)

	2006	2005
Centenary Fund	$ 7,451	$ 8,897
Home Energy Improvement Program	13,279	---
	$ 20,730	**$ 8,897**

a) Centenary Fund

	Expenses of Future Periods	Capital Assets	2006 Total	2005 Total
Balance, beginning of year	$ 2,384	$ 6,513	$ 8,897	$ 11,262
Contributions allocated	(1,144)	1,144	---	---
Recognized as revenue	(1,240)	(206)	(1,446)	(2,365)
Balance, end of year	**$ ---**	**$ 7,451**	**$ 7,451**	**$ 8,897**

Note 10: Deferred Provincial Contributions, continued

From 2000 to 2003, the Corporation received certain provincial contributions for the specific purpose of developing housing, either by providing grants to third party sponsors or by constructing capital assets directly. Treasury Board directed that these contributions shall be used for housing eligible under the Affordable Housing Program Agreement. Centenary Fund contributions are recognized as revenue on the same basis as the related grant expense or amortization of the Corporation's investment in a property, as applicable.

b) Home Energy Improvement Program

	2006	2005
Balance, beginning of year	$ ---	$ ---
Contributions	15,326	---
Recognized as revenue	(2,047)	---
Balance, end of year	**$ 13,279**	$ ---

The Corporation has received certain provincial contributions for the specific purpose of providing grants to low-income and moderate-income households under the Saskatchewan Home Energy Improvement Program. The designation of provincial contributions for this purpose was approved by Treasury Board. The contributions are recognized as revenue when the related grant expense is incurred.

Note 11: Other Deferred Contributions Related to Capital Assets

(*thousands*)

	2006	2005
Balance, beginning of year	$ 2,958	$ 3,216
Contributions	842	177
Net book value of property disposals	---	(3)
Recognized as revenue	(272)	(432)
Balance, end of year	**$ 3,528**	**$ 2,958**

This balance relates to certain properties transferred to the Corporation, as well as contributions provided by Saskatchewan government departments and municipalities for the construction or acquisition of housing by the Corporation. These contributions are recognized as revenue on the same basis as the amortization of the related properties.

Saskatchewan Housing Corporation
Notes to Consolidated Financial Statements

December 31, 2006

Note 12: Internally Restricted Net Assets

(*thousands*)

				2006	2005
	Replacement Reserve	Rejuvenation Commitments	Risk Reserve	Total	Total
Balance, beginning of year	$ 4,820	$ 437	$ 13,330	$ 18,587	$ 18,736
Transfers from					
Unrestricted net assets	2,099	615	---	2,714	2,533
Expenses	(2,162)	(437)	---	(2,599)	(2,682)
Net transfers (to) from					
Unrestricted net assets	(63)	178	---	115	(149)
Balance, end of year	**$ 4,757**	**$ 615**	**$ 13,330**	**$18,702**	**$ 18,587**

Replacement Reserve

The Corporation makes an internal restriction of net assets each year to provide for replacement of appliances and for building renovations. As expenses are incurred they are charged to operations, with a corresponding reduction to the reserve balance.

Rejuvenation Commitments

The Corporation and housing authorities controlled by the Corporation enter into contracts for rejuvenation of housing projects. An internal restriction of net assets has been made to reflect outstanding commitments under rejuvenation contracts as of December 31, 2006. As expenses are incurred they are charged to operations, with a corresponding reduction to the appropriated amount.

Risk Reserve

The Social Housing Agreement provided for a one-time federal contribution of $11,700. This amount, plus other transfers from Unrestricted net assets, has been internally restricted for mitigating operating risks associated with the Corporation's financial responsibility for housing programs transferred from CMHC.

Note 13: Financial Assets and Liabilities

(*thousands*)

Credit risk

Accounts receivable consist primarily of amounts due from CMHC, federal Goods and Services Tax rebates and amounts due from non-profit housing sponsors, which in aggregate represent 78% (2005 - 78%) of balances outstanding. Credit risk on these accounts is minimal.

Credit risk arises from the possibility that tenants might be unable to fulfill their lease commitments. Public housing authorities mitigate this risk by conducting rental reference checks prior to tenant placement, through well defined procedures for addressing rent arrears, and by limiting the exposure to credit loss for any one tenant.

Note 13: Financial Assets and Liabilities, continued

Credit risk also arises from the possibility that borrowers might default on their contractual loan obligations. Credit exposure on loans receivable is managed through appropriate account administration.

Credit risk associated with mortgage guarantees provided by the Corporation and the obligation to indemnify CMHC against losses on certain loans is described at Note 17, Contingencies.

Interest rate risk

The Corporation is exposed to interest rate risk on the maturity of its long-term debt. The Corporation manages this risk by obtaining long-term advances through the General Revenue Fund at fixed interest rates, and by renewing mortgage financing with CMHC at fixed interest rates for the maximum available term. As at December 31, 2006, the Corporation had no financial contracts in place to offset interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its short-term financial obligations. To manage liquidity risk, the Corporation maintains adequate cash balances and invests in money market instruments with a maturity of four months or less from the date of acquisition. Also, the Corporation has established a line of credit facility with the General Revenue Fund, allowing the Corporation to access up to $45,000 on a revolving basis.

Fair value of financial assets and liabilities

The fair value of financial assets and liabilities represents an approximation of amounts that the Corporation would have received or paid, calculated at the reporting date, to settle these instruments prior to maturity. Fair values are based on market conditions at a specific point in time, and may not be reflective of future fair values. The fair values of certain instruments, including long-term debt and sinking fund investments, will fluctuate as market interest rates change.

The fair value of accounts receivable, cash and cash equivalents, and accounts payable and accruals approximates the carrying amount of these instruments due to the short period to maturity. Similarly, the fair value of loans receivable approximates the carrying amount because in most instances the interest rate is renewed annually.

For other financial assets and liabilities, the carrying amounts and estimated fair values are as follows:

	2006		2005	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt	$ 96,089	$ 106,726	$ 96,974	$ 108,921
Sinking funds	45,661	45,671	42,737	43,263

The estimated fair value of long-term debt is based on the present value of future cash flows discounted at the December 31 market rate of interest for Province of Saskatchewan or Government of Canada debt instruments with a similar maturity date, as applicable. The estimated fair value of sinking fund investments is based on closing market interest rates at December 31.

The fair value of life interest agreements is not reported as it is not practically determinable, since there is no fixed repayment date for the individual agreements. Similarly, the fair value of mortgage guarantees and the obligation to indemnify CMHC against losses on certain loans (note 17) is not practically determinable, since there is no market for these instruments.

Note 14: Operating Expenses

(*thousands*)

	2006	2005
Maintenance and rejuvenation	$ 35,566	$ 35,455
Utilities	18,485	18,293
Grants in lieu of property taxes	16,919	16,667
Other operating	27,548	27,466
	$ 98,518	**$ 97,881**

Note 15: Grants and Subsidies

(*thousands*)

	2006	2005
Affordable Housing Program Agreement	$ 8,922	$ 6,911
Housing Renovation Program Agreement	8,751	5,436
Subsidy assistance - Non-profit housing	17,187	18,686
Subsidy assistance - Co-operative housing	2,233	2,328
Home Energy Improvement Program	2,047	- - -
Other grants and subsidies	3,192	4,042
	$ 42,332	**$ 37,403**

The Housing Renovation Program Agreement with CMHC establishes a structure for cost-shared programs that provide assistance to homeowners and landlords for repairs to and rehabilitation of properties occupied by low income households. CMHC will contribute up to 75% of funding for eligible program costs. During the year, the Corporation and CMHC agreed to extend the term of the Agreement by one year, to provide funding for commitments approved by March 31, 2007 for which eligible program costs are incurred by the March 31, 2007 Agreement expiry date.

Subsidy assistance is provided to non-profit housing sponsors and co-operatives in accordance with operating agreements that set forth either a specified amount of assistance to be provided each year or the basis on which eligibility for assistance will be determined. These agreements expire at various dates to the year 2029 (note 18 (d)).

Subsidy assistance - Non-profit housing includes assistance of $1,881 (2005 - $2,033) provided to Regional Health Authorities, in respect of certain nursing home facilities.

Note 16: Interest Expense

(*thousands*)

	2006	2005
Interest incurred	$ 10,878	$ 9,060
Less: Interest on sinking funds	(2,339)	(602)
Other interest income	(1,904)	(1,448)
Interest capitalized	(190)	(193)
	$ 6,445	**$ 6,817**

Interest incurred is comprised of $5,855 (2005 - $5,899) paid during the year, $4,967 (2005 - $3,110) credited to Deferred federal contributions and $60 (2005 - $55) credited to the Land profits holding account, less a reduction in accruals of $4 (2005 - $4).

Interest incurred includes $4,899 (2005 - $4,899) on long-term advances repayable to the General Revenue Fund. Accrued interest payable to the General Revenue Fund at December 31, 2006 totalled $1,273 (2005 - $1,273).

Note 17: Contingencies

(*thousands*)

a) Social Housing Agreement

Pursuant to the Social Housing Agreement, the Corporation assumed responsibility for administration of a portfolio of mortgage loans provided by CMHC to third party housing sponsors, including accounts added to the portfolio since the Agreement took effect on January 1, 1997. The Agreement states that the Corporation shall indemnify CMHC against all losses and expenses arising from defaults by borrowers. As at December 31, 2006, mortgages with an aggregate balance of $197,752 (2005 - $209,945) were outstanding. The mortgages are being amortized through monthly payments and mature at various dates to the year 2030.

The portfolio includes 157 mortgages, totalling $84,164, provided to non-profit and co-operative housing sponsors who receive ongoing subsidy assistance from the Corporation that is presently sufficient to enable mortgage payments to be made when due. The portfolio also includes 250 mortgages, totalling $113,588 provided to sponsors of nursing home or group home facilities who receive funding for operations from the Department of Health or the Department of Community Resources, respectively.

Upon signing the Social Housing Agreement, the Corporation received a one-time federal contribution of $11,700 in consideration for assuming financial responsibility for housing programs transferred from CMHC, including the portfolio of indemnified mortgage loans. The Corporation has established a Risk Reserve (note 12) to fund losses incurred on these loans. As at December 31, 2006, none of the mortgages administered on behalf of CMHC were in default, and accordingly no liability is recorded in respect of the Corporation's obligation to indemnify CMHC.

Note 17: Contingencies, continued

b) Saskatchewan Mortgage Guarantee Program

During 1986 and 1987 the Corporation provided mortgage guarantees to private lenders financing certain new housing construction. As at December 31, 2006, a total of 12 (2005 - 17) mortgage guarantees were in effect, and the outstanding balance of mortgages guaranteed was $2,041 (2005 - $2,450). The mortgages are being amortized through monthly payments and mature at various dates to the year 2023.

The guarantees are in respect of mortgages advanced to individual homeowners, except for mortgages totalling $1,784 (2005 - $2,040) provided to the sponsors of certain seniors' housing projects.

Management believes that credit risk on these guarantees is minimal, due to the maturity of the mortgage portfolio. As at December 31, 2006, none of the mortgages were in default, and accordingly no liability is recorded in respect of the guarantees provided by the Corporation.

Note 18: Contractual Obligations

(*thousands*)

The Corporation had the following contractual obligations as at December 31, 2006:

(a) Construction costs of $14,224;

(b) Land development costs of $4,233;

(c) Rejuvenation expenses of $615; and

(d) Grants and subsidies.

The Corporation has issued commitments under various programs for grants or ongoing subsidy assistance to individual homeowners, developers, landlords, co-operatives and non-profit sponsors of housing. As at December 31, 2006, the Corporation's commitments for grants for which performance requirements have not been met totalled $50,713. The estimated cost of ongoing subsidy assistance for the next five years is as follows:

2007	$ 18,100
2008	17,200
2009	16,800
2010	16,100
2011	15,600

Uncertainty regarding future interest rates and other economic factors precludes reasonable estimation of the Corporation's obligations for ongoing assistance beyond a five-year period.

Note 19: Related Party Transactions

(*thousands*)

Included in these consolidated financial statements are transactions with various Saskatchewan Crown corporations, departments, and agencies related to the Corporation by virtue of common control by the Government of Saskatchewan, collectively referred to as "related parties".

Transactions with related parties in the normal course of operations are settled at the prevailing prices charged by these organizations, under normal trade terms. These transactions are not significant to the Corporation's consolidated operations or financial position except as described below.

	2006	2005
Expenses:		
Services provided by Saskatchewan Power Corporation ("SaskPower")	$ 5,130	$ 4,828
Services provided by SaskEnergy Incorporated ("SaskEnergy")	8,155	8,403
Services provided by Department of Community Resources	6,057	5,700
Investment in land, for the year ended December 31:		
Services provided by SaskPower	$ 110	$ 88
Services provided by SaskEnergy	90	86
Accounts payable and accruals, as at December 31:		
SaskPower	$ 265	$ 303
SaskEnergy	566	505
Department of Community Resources	307	150

The Department of Community Resources provides management services to the Corporation. Charges are recorded for administration of housing operations and other programs within the scope of the Social Housing Agreement, and for delivery of programs within the scope of other agreements between the Corporation and CMHC. Amounts charged to the Corporation do not exceed related costs incurred.

The Corporation pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of such purchases.

Other transactions with and amounts due to related parties are described separately in these consolidated financial statements and the notes thereto.

Note 20: Subsequent Events

(thousands)

(a) Housing Trusts

On February 20, 2007, the Corporation received $50,552 from the General Revenue Fund, comprised of allocations to the Government of Saskatchewan of $24,175 and $26,377 from the federal Affordable Housing Trust and Off-Reserve Aboriginal Housing Trust, respectively. These monies are to be used by the Corporation for initiatives that are consistent with the intent of certain conditions established by the federal government, as set forth in the Operating Principles for each Housing Trust. Affordable Housing Trust monies are to be used for capital investments and are not to be used to support property operations or to provide ongoing subsidy assistance to housing sponsors. Off-Reserve Aboriginal Housing Trust monies are to be used for initiatives that directly support housing for Métis and First Nations persons living off-reserve. The Corporation will record the amount received from the General Revenue Fund as Deferred provincial contributions, and will recognize these contributions as revenue when the related expenses are incurred.

(b) Provincial Affordable Housing Initiatives

On February 20, 2007, Cabinet approved a Treasury Board recommendation that a one-time funding allocation of $60,000 be provided to the Corporation. These monies are to be used for affordable housing initiatives, for inner city neighbourhoods of major centres and for northern communities. The funding allocation is subject to consideration and approval of Supplementary Estimates by the Saskatchewan Legislative Assembly.

Note 21: Comparative Information

Certain 2005 comparative information has been reclassified to conform to the current year's presentation.

Saskatchewan
Housing
Corporation

An Agency of
Community Resources

SUPPLIER, GRANT AND OTHER PAYMENTS FOR 2006

Saskatchewan Housing Corporation

Supplier payments for the year 2006

Listed are payees who received $50,000 for more from the Corporation, a Housing Authority, or Territory Operations for the provision of goods and services. Also reported are amounts over $50,000 advanced to Housing Authorities and Territory Operations offices; these inter-entity transactions are eliminated upon preparation of the Consolidated Financial Statements for Saskatchewan Housing Corporation. Segmented information is provided for Corporate, Authority, or Territory payments over $20,000.

104048383 Saskatchewan Ltd.	Saskatchewan Housing Corporation			$ 62,957
Action Plumbing & Heating	Saskatoon Housing Authority			$ 256,195
Adams Enterprises	Northeast Regional Housing Authority			$ 77,662
AJ's Maintenance & Supply	Northeast Regional Housing Authority			$ 68,741
Alcrow Renovations	Beaver River Regional Housing Authority			$ 108,438
All Season Home Maintenance	Northeast Regional Housing Authority			$ 82,026
Allied Lumberland Ltd	Regina Housing Authority	$	44,012	$ 90,575
	Moose Jaw Housing Authority	$	46,563	
Alpine Ceramics	Regina Housing Authority			$ 88,472
Alsask Fire Equipment Ltd	Regina Housing Authority			$ 45,427
Altered Reality Developments Inc	Saskatchewan Housing Corporation			$ 103,401
Amalgamated Builders Corp	Saskatchewan Housing Corporation			$ 471,169
Amre Supply Inc.	Regina Housing Authority	$	116,954	$ 206,117
	Saskatoon Housing Authority	$	89,163	
Anderson, Christopher & Kristina	Saskatchewan Housing Corporation			$ 102,626
AODBT Architecture Interior	Saskatchewan Housing Corporation			$ 569,233
Artsco Enterprises	Saskatoon Housing Authority			$ 130,408
Ashly Cabinets	Prince Albert Housing Authority			$ 183,229
ASL Paving Ltd.	Saskatchewan Housing Corporation			$ 551,885
Assiniboia, Town of	Assiniboia Housing Authority			$ 66,738
Associated Asbestos Abatement	Carnduff Housing Authority	$	41,135	$ 300,171
	Kipling Housing Authority	$	149,746	
	Redvers Housing Authority	$	33,242	
	Saskatchewan Housing Corporation	$	76,048	
B May Plumbing & Heating	Weyburn Housing Authority			$ 75,846
Banda Flooring	Tisdale Housing Authority			$ 55,659
Battleford, Town of	Battleford Housing Authority			$ 111,943
Bayoff, Diana & Daisy	Saskatchewan Housing Corporation			$ 96,592
Beauval, Northern Village of	Beaver River Regional Housing Authority			$ 71,352
Beehive Flooring Group	Saskatoon Housing Authority			$ 204,073

Saskatchewan Housing Corporation

Supplier payments for the year 2006

Listed are payees who received $50,000 for more from the Corporation, a Housing Authority, or Territory Operations for the provision of goods and services. Also reported are amounts over $50,000 advanced to Housing Authorities and Territory Operations offices; these inter-entity transactions are eliminated upon preparation of the Consolidated Financial Statements for Saskatchewan Housing Corporation. Segmented information is provided for Corporate, Authority, or Territory payments over $20,000.

Biggar, Town of	Biggar Housing Authority			$ 57,417
Big River Coop Home Centre	Saskatchewan Housing Corporation			$ 91,240
Brightstar Construction	Saskatoon Housing Authority			$ 63,339
Buburuz Decorating	Regina Housing Authority			$ 91,333
Buffalo Narrows, Northern Village of	Buffalo Narrows Regional Housing Authority			$ 94,411
Burnouf Contracting	Beaver River Regional Housing Authority			$ 173,289
Can-Am Outfitters Ltd.	La Ronge Regional Housing Authority			$ 52,153
Capital Pension & Benefits	Humboldt Housing Authority	$	24,543	$ 1,403,887
	Lloydminster Housing Authority	$	22,723	
	Meadow Lake Housing Authority	$	26,049	
	Melfort Housing Authority	$	39,175	
	Melville Housing Authority	$	21,765	
	Moose Jaw Housing Authority	$	133,347	
	North Battleford Housing Authority	$	76,578	
	Plains Housing Authority	$	65,006	
	Prince Albert Housing Authority	$	129,340	
	Regina Housing Authority	$	235,825	
	Saskatoon Housing Authority	$	238,950	
	Swift Current Housing Authority	$	53,183	
	Tisdale Housing Authority	$	25,558	
	Treeline Housing Authority	$	124,331	
	Weyburn Housing Authority	$	21,499	
	Yorkton Housing Authority	$	80,699	
	Various Corporate/Authorities/Territories	$	85,316	
Carlyle, Town of	Carlyle Housing Authority			$ 50,590
Cavanagh	Saskatchewan Housing Corporation			$ 94,543
CEL Electric Ltd.	Moosomin Housing Authority			$ 53,901
CFL Electric	Nipawin Housing Authority			$ 216,616
Carrot River, Town of	Carrot River Housing Authority			$ 53,421
Century Roofing	Saskatchewan Housing Corporation			$ 139,881
Champion Janitorial Services	Saskatoon Housing Authority			$ 507,459
City Asphalt	Saskatoon Housing Authority			$ 67,694
Classic Super Seamless Exteriors Ltd.	Regina Housing Authority			$ 54,812
CMHC	Saskatchewan Housing Corporation			$ 26,042,345
Coronach, Town of	Coronach Housing Authority			$ 63,301

Saskatchewan Housing Corporation

Supplier payments for the year 2006

Listed are payees who received $50,000 for more from the Corporation, a Housing Authority, or Territory Operations for the provision of goods and services. Also reported are amounts over $50,000 advanced to Housing Authorities and Territory Operations offices; these inter-entity transactions are eliminated upon preparation of the Consolidated Financial Statements for Saskatchewan Housing Corporation. Segmented information is provided for Corporate, Authority, or Territory payments over $20,000.

Creighton, Town of	Northeast Regional Housing Authority			$ 68,411
Cronins Painting	Saskatoon Housing Authority			$ 63,978
Cross Canada Flooring Depots Ltd.	Moose Jaw Housing Authority			$ 275,285
Cumberland House, Northern Village of	Cumberland House Housing Authority			$ 85,949
Cuming, Coralee & Jacqueline	Saskatchewan Housing Corporation			$ 92,150
Custom Countertops Ltd.	Regina Housing Authority	$	60,211	$ 143,957
	Saskatoon Housing Authority	$	83,746	
D & L Renovations	Cumberland House Housing Authority			$ 158,400
D.W.Wallace Construction	Frontier Housing Authority	$	70,817	$ 117,818
	Various Corporate / Authorities / Territories	$	47,001	
Dawes	Saskatchewan Housing Corporation			$ 99,553
Décor Complete Ltd.	Swift Current Housing Authority			$ 74,717
Deloitte & Touche	Regina Housing Authority	$	22,734	$ 61,714
	Saskatoon Housing Authority	$	39,980	
Department of Finance - Government of Saskatchewan	Saskatchewan Housing Corporation			$ 5,483,795
Desjarlais, Leon	Ile a La Crosse Housing Authority			$ 253,508
Dewpoint Appliance Service	Regina Housing Authority			$ 75,582
Direct Energy	Lloydminster Housing Authority			$ 138,912
Domco Construction Inc.	Saskatchewan Housing Corporation			$ 204,222
Dominion Construction Co. Inc.	Saskatchewan Housing Corporation			$ 1,726,422
Don Parker Consulting Services	Plains Housing Authority			$ 85,614
Duncan Roofing Ltd.	Estevan Housing Authority			$ 51,594
Econo Lumber	Prince Albert Housing Authority			$ 66,024
ESP Construction	Regina Housing Authority			$ 568,101
Estevan, City of	Estevan Housing Authority			$ 312,917
Estevan Housing Authority	Saskatchewan Housing Corporation			$ 362,186
Everflow Eaves & Exteriors	Regina Housing Authority			$ 152,276
Federated Co-operatives Ltd.	Cumberland House Housing Authority			$ 72,459

Saskatchewan Housing Corporation

Supplier payments for the year 2006

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Fluery Home Renos & Pinecrest	Cumberland House Housing Authority			$ 60,833
Floors By Design Ltd.	Regina Housing Authority			$ 191,126
Fran's Painting	Saskatoon Housing Authority			$ 137,480
Frassato, Rocchino	Saskatchewan Housing Corporation			$ 109,237
G & J Construction	Saskatchewan Housing Authority			$ 59,543
G & S Landscape & Excavation Services	Kindersley Housing Authority			$ 125,753
Gardiner Plumbing Ltd.	Ile a La Crosse Housing Authority	$	46,771	$ 114,899
	Saskatchewan Housing Corporation	$	68,128	
George Adams Carpentry	Prince Albert Housing Authority			$ 80,447
Gifford Brass operating as GC Construction	Regina Housing Authority			$ 89,994
	Regina Housing Authority	$	108,834	$ 159,396
Glen Peterson Construction	Naicam Housing Authority	$	50,562	
Grace Luthern Church	Saskatchewan Housing Corporation			$ 248,994
Graham, Dennis & Hilda	Saskatchewan Housing Corporation			$ 89,006
Graham's Thermal Windows Ltd.	Estevan Housing Authority			$ 65,137
Granite Construction	Regina Housing Authority			$ 58,127
Great West Life Assurance Company	Melfort Housing Authority	$	20,615	$ 787,046
	Moose Jaw Housing Authority	$	64,318	
	North Battleford Housing Authority	$	47,845	
	Plains Housing Authority	$	26,539	
	Prince Albert Housing Authority	$	81,815	
	Regina Housing Authority	$	127,868	
	Saskatoon Housing Authority	$	143,775	
	Swift Current Housing Authority	$	23,339	
	Treeline Housing Authority	$	84,023	
	Weyburn Housing Authority	$	23,838	
	Yorkton Housing Authority	$	49,798	
	Various Corporate/Authorities/Territories	$	93,273	
Green Lawn Irrigation	Beaver River Regional Housing Authority			$ 63,318
H & J Plumbing & Heating Ltd	Beaver River Regional Authority	$	35,831	$ 118,356
	Buffalo Narrows Regional Housing Authority	$	82,525	
Haid Construction Ltd.	Saskatoon Housing Authority			$ 245,116
Halladay, Cliff	Regina Housing Authority			$ 77,412
Hanley, Town of	Saskatchewan Housing Corporation			$ 61,171

Saskatchewan Housing Corporation

Supplier payments for the year 2006

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Hansa Painting	Swift Current Housing Authority			$ 53,890
Harding Boss & Mcleod Surveys	Saskatchewan Housing Corporation			$ 91,373
Hepting, Lucy	Saskatchewan Housing Corporation			$ 71,421
Hnatyshyn Gough Barristers	Saskatchewan Housing Corporation			$ 91,876
Home Hardware	Northeast Regional Housing Authority Meadow Lake Housing Authority	$ 30,250 $ 31,214		$ 61,464
Hooker Dawson and Associates	Melfort Territory Operations			$ 127,341
Humboldt, City of	Humboldt Housing Authority			$ 204,035
Humboldt Housing Authority	Saskatchewan Housing Corporation			$ 104,089
Humboldt Plumbing & Heating	Humboldt Housing Authority			$ 66,863
ICBM	Saskatoon Housing Authority			$ 128,206
ICR Commercial Real Estate	Saskatoon Housing Authority			$ 62,758
Ile a La Crosse, Northern Village of	Ile a La Crosse Housing Authority			$ 165,757
Indian Head, Town of	Indian Head Housing Authority			$ 50,035
J. Hordski Contracting	La Ronge Regional Housing Authority			$ 90,853
Jans Bay Building Contracting	Beaver River Regional Housing Authority			$ 61,127
Jesse, Alma O.	Saskatchewan Housing Corporation			$ 58,173
K & L Construction Ltd	Saskatchewan Housing Corporation			$ 177,565
Kadam Developments Ltd.	Outlook Housing Authority Saskatchewan Housing Corporation	$ 289,906 $ 98,760		$ 388,666
Karlson's Painting	Weyburn Housing Authority			$ 79,637
Kazic, Fikret & Zurija	Saskatchewan Housing Corporation			$ 108,233
Kenmac Mechanical Inc	Saskatchewan Housing Corporation			$ 57,284
Kenny's Renovating	Buffalo Narrows Regional Housing Authority Ile a La Crosse Housing Authority	$ 171,116 $ 107,265		$ 278,381
KGP Construction	Regina Housing Authority			$ 219,488
Kindersley Housing Authority	Saskatchewan Housing Corporation			$ 298,206
Kindersley, Town of	Kindersley Housing Authority			$ 116,239

Saskatchewan Housing Corporation

Supplier payments for the year 2006

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KMS Energy Systems Inc.	Saskatchewan Housing Corporation			$ 488,003
KPMG LLP	Saskatchewan Housing Corporation			$ 190,977
Krushelinski, Brian	Saskatoon Housing Authority			$ 148,731
Kyplain, Phillip	Beaver River Regional Housing Authority			$ 113,293
La Ronge, Northern Town of	La Ronge Regional Housing Authority			$ 102,532
Lac La Plonge Holdings Ltd	Saskatchewan Housing Corporation			$ 177,565
Laval Flooring	Saskatoon Housing Authority			$ 212,209
Living Skies Housing Authority	Saskatchewan Housing Corporation			$ 100,000
Lloydminster, City of	Lloydminster Housing Authority			$ 172,327
Loraas Disposal Services Ltd.	Regina Housing Authority	$	67,013	$ 158,251
	Saskatoon Housing Authority	$	91,238	
M-J Drywall & Improvements	Regina Housing Authority			$ 90,519
MABE Canada Inc.	North Battleford Housing Authority	$	24,076	$ 417,223
	Weyburn Housing Authority	$	82,127	
	Regina Housing Authority	$	182,115	
	Saskatchewan Housing Corporation	$	49,957	
	Saskatoon Housing Authority	$	78,948	
MacPherson Leslie & Tyerman	Saskatchewan Housing Corporation			$ 71,716
Majestic Air Inc.	Regina Housing Authority			$ 84,951
MarLyn Enterprises Ltd	Saskatchewan Housing Corporation			$ 94,078
Marsh Canada Limited	Saskatchewan Housing Corporation			$ 651,996
Mayfair Paint & Glass Ltd.	Saskatoon Housing Authority			$ 85,777
McDiamid Lumber Home Centre	Saskatchewan Housing Corporation			$ 83,501
McDougall Gauley LLP	Saskatchewan Housing Corporation			$ 76,312
Meadow Lake Housing Authority	Saskatchewan Housing Corporation			$ 163,373
Meadow Lake, Town of	Meadow Lake Housing Authority			$ 144,040
Meadowview Contracting Ltd.	La Ronge Regional Housing Authority	$	225,186	$ 336,092
	Northeast Regional Housing Authority	$	22,207	
	Saskatchewan Housing Corporation	$	88,699	
Melfort, City of	Melfort Housing Authority			$ 115,976
Melfort Territory Operations	Saskatchewan Housing Corporation			$ 250,000

Saskatchewan Housing Corporation

Supplier payments for the year 2006

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Melville, City of	Melville Housing Authority			$ 214,026
Melville Housing Authority	Saskatchewan Housing Corporation			$ 178,885
Mercury Services Ltd	Saskatchewan Housing Corporation			$ 286,538
Methy Construction	Saskatchewan Housing Corporation			$ 504,244
Mikisiw Enterprises Ltd.	Ile a La Crosse Housing Authority			$ 232,462
Minister of Finance for Saskatchewan	Saskatchewan Housing Corporation			$ 5,939,085
Molesky General Contracting	Regina Housing Authority			$ 53,471
Moose Jaw, City of	Moose Jaw Housing Authority			$ 974,120
Moose Jaw Heating & Plbg Inc.	Assiniboia Housing Authority Moose Jaw Housing Authority	$ 53,329 $ 54,898		$ 108,227
Moose Jaw Housing Authority	Saskatchewan Housing Corporation			$ 947,476
Moosomin Housing Authority	Saskatchewan Housing Corporation			$ 200,000
Moosomin, Town of	Moosomin Housing Authority			$ 100,869
Nipawin Housing Authority	Saskatchewan Housing Corporation			$ 474,714
Nipawin, Town of	Nipawin Housing Authority			$ 139,546
NIS Contractors Ltd.	Saskatchewan Housing Corporation			$ 164,398
Norsask Plumbing & Heating	Saskatchewan Housing Corporation			$ 92,462
North Battleford Carpet One	Battleford Housing Authority			$ 60,448
North Battleford, City of	North Battleford Housing Authority			$ 825,450
North Battleford Territory Operations	Meadow Lake Housing Authority Nipawin Housing Authority North Battleford Housing Authority Saskatchewan Housing Corporation Tisdale Housing Authority	$ 110,745 $ 81,988 $ 21,635 $ 998,285 $ 28,120		$ 1,240,773
North Star Ventures	La Ronge Regional Housing Authority			$ 90,682
Northeast Regional Housing Authority	Saskatchewan Housing Corporation			$ 65,305
Northern Cree Enterprises	Cumberland House Housing Authority			$ 50,076
Northern Municipal Services	Saskatchewan Housing Corporation			$ 57,802
Ogle Construction	Rockglen Housing Authority			$ 51,735

Saskatchewan Housing Corporation

Supplier payments for the year 2006

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Oracle Corporation Canada Inc.	Saskatchewan Housing Corporation			$ 158,873
Ostafie Construction	Duck Lake Housing Authority			$ 50,130
Outlook Housing Authority	Saskatchewan Housing Corporation			$ 212,404
Outlook, Town of	Outlook Housing Authority			$ 96,469
Oxbow, Town of	Oxbow Housing Authority			$ 52,437
Parkland Carpet One	Regina Housing Authority			$ 302,371
Pat Abbate	Prince Albert Housing Authority			$ 57,060
Partners Furniture & Appliances	Prince Albert Housing Authority			$ 118,405
Pinehouse, Northern Village of	Beaver River Regional Housing Authority			$ 94,858
Pineland Co-op Association	Nipawin Housing Authority			$ 72,760
Plains Housing Authority	Saskatchewan Housing Corporation			$ 1,052,423
Porochnyvy	Saskatchewan Housing Corporation			$ 121,942
Prakash Engineering Ltd.	Saskatchewan Housing Corporation			$ 64,451
Prestige Commercial Interiors	Regina Housing Authority			$ 290,401
Prime Development Ltd.	Saskatoon Housing Authority			$ 78,610
Primetime Painting	Saskatoon Housing Authority			$ 116,007
Prince Albert, City of	Prince Albert Housing Authority			$ 1,133,015
Prince Albert Housing Authority	Saskatchewan Housing Corporation			$ 294,929
Pryce, Micheal	Assiniboia Housing Authority			$ 50,083
Pulles, Jacoba	Saskatchewan Housing Corporation			$ 52,540
R.L. Miller Contracting Ltd	Northeast Regional Housing Authority	$	30,210	$ 565,332
	Saskatchewan Housing Corporation	$	535,122	
Rajani Blaser Mannix Architect	Saskatchewan Housing Corporation			$ 62,200
Ram Energy Systems Prince Albert	North Battleford Housing Authority			$ 86,160
Receiver General for Canada	Estevan Housing Authority	$	43,908	$ 4,081,594
	Humboldt Housing Authority	$	63,964	
	Kindersley Housing Authority	$	41,680	
	Lloydminster Housing Authority	$	51,308	
	Meadow Lake Housing Authority	$	70,180	
	Melfort Housing Authority	$	92,389	
	Melville Housing Authority	$	66,872	

Saskatchewan Housing Corporation

Supplier payments for the year 2006

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Receiver General for Canada (continued)	Moosomin Housing Authority	$ 48,121	
	Moose Jaw Housing Authority	$ 322,574	
	Nipawin Housing Authority	$ 46,073	
	North Battleford Housing Authority	$ 275,442	
	Outlook Housing Authority	$ 24,021	
	Plains Housing Authority	$ 173,802	
	Prince Albert Housing Authority	$ 357,582	
	Regina Housing Authority	$ 651,224	
	Rostetown Housing Authority	$ 28,140	
	Saskatoon Housing Authority	$ 747,597	
	Swift Current Housing Authority	$ 223,389	
	Tisdale Housing Authority	$ 51,906	
	Treeline Housing Authority	$ 345,889	
	Weyburn Housing Authority	$ 109,556	
	Yorkton Housing Authority	$ 245,977	
Redriver Lumber	Northeast Regional Housing Authority		**$ 72,015**
Regina, City of	Regina Housing Authority	$ 4,304,551	**$ 4,983,336**
	Saskatchewan Housing Corporation	$ 678,785	
Regina Housing Authority	Saskatchewan Housing Corporation		**$ 1,774,080**
Reinhardt Plumbing, Htg & Air Cond. Ltd.	Moosomin Housing Authority	$ 97,684	**$ 148,574**
	Regina Housing Authority	$ 50,890	
River Bank Development Corporation	Saskatchewan Housing Corporation		**$ 476,681**
Robinson Stores	Saskatchewan Housing Corporation		**$ 373,457**
Roddy, Doretta	Saskatchewan Housing Corporation		**$ 65,000**
Rolph, Ryan & Shelley	Saskatchewan Housing Corporation		**$ 80,799**
Ron Pederson Enterprises Ltd.	Buffalo Narrows Regional Housing Authority		**$ 325,546**
Rona	Saskatchewan Housing Corporation		**$ 133,544**
Ron's Plumbing & Heating	Beaver River Regional Housing Authority		**$ 88,072**
Roofscapes - Roofing & Exteriors	Nipawin Housing Authority		**$ 83,630**
Rosetown, Town of	Rosetown Housing Authority		**$ 117,691**
Rosthern, Town of	Rosthern Housing Authority		**$ 62,381**
Royal Bank Short Term Investments	Saskatchewan Housing Corporation		**$ 199,327,512**
Sandy Bay, Northern Village of	Northeast Regional Housing Authority		**$ 221,315**
Saskatchewan Housing Corporation	Central Housing Authority	$ 107,706	**$ 1,717,362**
	Lloydminster Housing Authority	$ 119,897	
	Meadow Lake Housing Authority	$ 20,937	
	Melfort Territory Operations	$ 179,522	

Saskatchewan Housing Corporation

Supplier payments for the year 2006

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Saskatchewan Housing Corporation (continued)	Moose Jaw Housing Authority	$ 448,867	
	Northeast Regional Housing Authority	$ 75,458	
	Outlook Housing Authority	$ 51,359	
	Regina Housing Authority	$ 284,480	
	Saskatoon Housing Authority	$ 401,785	
	Treeline Housing Authority	$ 27,351	
Saskatchewan Workers' Compensation Board	Regina Housing Authority	$ 32,577	$ 55,845
	Saskatoon Housing Authority	$ 21,196	
	Various Corporate/Authorities/Territories	$ 2,072	
Saskatoon, City of	Saskatoon Housing Authority		$ 4,274,324
Saskatoon Housing Authority	Saskatchewan Housing Corporation		$ 1,741,454
SaskEnergy	Broadview Housing Authority	$ 28,202	$ 8,811,254
	Carlyle Housing Authority	$ 32,254	
	Central Housing Authority	$ 562,926	
	Estevan Housing Authority	$ 139,426	
	Grenfell Housing Authority	$ 25,070	
	Humboldt Housing Authority	$ 97,802	
	Indian Head Housing Authority	$ 32,796	
	Kindersley Housing Authority	$ 64,650	
	Kipling Housing Authority	$ 28,888	
	Meadow Lake Housing Authority	$ 107,890	
	Melfort Housing Authority	$ 127,552	
	Melville Housing Authority	$ 79,070	
	Moose Jaw Housing Authority	$ 370,078	
	Moosomin Housing Authority	$ 60,533	
	Nipawin Housing Authority	$ 98,688	
	North Battleford Housing Authority	$ 224,482	
	Outlook Housing Authority	$ 59,682	
	Oxbow Housing Authority	$ 30,754	
	Prince Albert Housing Authority	$ 383,936	
	Redvers Housing Authority	$ 20,734	
	Regina Housing Authority	$ 1,317,387	
	Rosetown Housing Authority	$ 62,298	
	Saskatoon Housing Authority	$ 1,165,552	
	Swift Current Housing Authority	$ 135,072	
	Tisdale Housing Authority	$ 102,676	
	Weyburn Housing Authority	$ 142,495	
	Yorkton Housing Authority	$ 163,526	
	Various Corporate/Authorities/Territories	$ 3,146,835	
SaskPower	Beaver River Regional Housing Authority	$ 64,657	$ 5,505,189
	Buffalo Narrows Regional Housing Authority	$ 47,253	
	Estevan Housing Authority	$ 151,182	
	Humboldt Housing Authority	$ 38,613	
	Ile a La Crosse Housing Authority	$ 39,025	
	Kindersley Housing Authority	$ 65,147	
	Kipling Housing Authority	$ 22,412	
	La Loche Non-profit Housing Corporation	$ 42,513	
	Meadow Lake Housing Authority	$ 57,245	
	Melfort Housing Authority	$ 115,245	

Saskatchewan Housing Corporation

Supplier payments for the year 2006

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SaskPower (continued)	Melville Housing Authority	$ 54,108		
	Moose Jaw Housing Authority	$ 426,014		
	Nipawin Housing Authority	$ 104,466		
	North Battleford Housing Authority	$ 199,867		
	Prince Albert Housing Authority	$ 355,289		
	Outlook Housing Authority	$ 20,858		
	Regina Housing Authority	$ 1,413,560		
	Rosetown Housing Authority	$ 40,751		
	Saskatchewan Housing Corporation	$ 157,129		
	Saskatoon Housing Authority	$ 24,474		
	Swift Current Housing Authority	$ 196,741		
	Tisdale Housing Authority	$ 69,908		
	Weyburn Housing Authority	$ 136,559		
	Yorkton Housing Authority	$ 170,800		
	Various Corporate / Authorities / Territories	$ 1,491,373		
SaskTel	Moose Jaw Housing Authority	$ 34,393	**$**	**681,209**
	North Battleford Housing Authority	$ 40,566		
	Regina Housing Authority	$ 71,163		
	Saskatchewan Housing Corporation	$ 53,456		
	Saskatoon Housing Authority	$ 64,209		
	Swift Current Housing Authority	$ 23,081		
	Yorkton Housing Authority	$ 31,265		
	Various Corporate / Authorities / Territories	$ 363,076		
Saskcon Repair Services	Shaunavon Housing Authority		**$**	**193,667**
SaskWest Mechanical	Naicam Housing Authority	$ 70,774	**$**	**95,755**
	Watrous Housing Authority	$ 24,981		
Sayeed, Dr. M.A.R.	Saskatchewan Housing Corporation		**$**	**150,090**
Shaw, Adam	Saskatchewan Housing Corporation		**$**	**90,639**
Silvester Glass	Turtleford Housing Authority		**$**	**52,290**
South Saskatchewan Independent Living Centre Inc.	Saskatchewan Housing Corporation		**$**	**1,662,487**
Spezowka, Bill & Legare Michelle	Saskatchewan Housing Corporation		**$**	**162,825**
Stantec Consulting Ltd.	Saskatchewan Housing Corporation		**$**	**290,819**
Star Construction	Buffalo Narrows Regional Housing Authority		$	60,983
Steamatic of Saskatoon	Saskatoon Housing Authority		**$**	**95,599**
Stohz, Ellen	Saskatchewan Housing Corporation		**$**	**107,096**
Stone Hutchinson Architects	Regina Housing Authority		**$**	**50,704**
Sun Wood Builders	Moose Jaw Housing Authority		**$**	**139,793**
Superior Propane	Beaver River Regional Housing Authority	$ 166,329	**$**	**338,361**

Saskatchewan Housing Corporation

Supplier payments for the year 2006

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Superior Propane (continued)	Buffalo Narrows Regional Housing Authority	$	28,661	
	Cumberland House Housing Authority	$	34,571	
	Ile a La Crosse Housing Authority	$	52,280	
	Northeast Regional Housing Authority	$	56,520	
Swift Current, City of	Swift Current Housing Authority			$ 603,237
Swift Current Territory Operations	Saskatchewan Housing Corporation			$ 959,342
Swift Plumbing & Heating Ltd	Swift Current Housing Authority			$ 227,363
Szloma, Paul	Saskatchewan Housing Corporation			$ 107,383
Tash's Flooring	Prince Albert Housing Authority			$ 172,051
Terra Developments Inc.	Saskatchewan Housing Corporation			$ 298,132
Territory Housing Operations - Central	Saskatchewan Housing Corporation			$ 209,814
Territory Housing Operations - Weyburn	Saskatchewan Housing Corporation			$ 620,277
Than Cong Huynh & Loan Thi Diemtran	Saskatchewan Housing Corporation			$ 107,086
The Energy Doctor	Biggar Housing Authority	$	49,220	$ 244,493
	Prince Albert Housing Authority	$	69,987	
	Tisdale Housing Authority	$	125,286	
Thermo Solutions	Estevan Housing Authority	$	84,588	$ 319,638
	Humboldt Housing Authority	$	29,746	
	Kindersley Housing Authority	$	127,836	
	Tisdale Housing Authority	$	56,924	
	Various Corporate / Authorities / Territories	$	20,544	
Thyssen Krupp Elevator	North Battleford Housing Authority	$	29,925	$ 139,834
	Saskatoon Housing Authority	$	88,904	
	Regina Housing Authority	$	21,005	
Tisdale Housing Authority	Saskatchewan Housing Corporation			$ 293,924
Tisdale, Town of	Tisdale Housing Authority			$ 134,259
Top Of The Line Plumbing	Regina Housing Authority			$ 215,701
Treeline Housing Authority	Saskatchewan Housing Corporation			$ 3,858,796
Trepp Construction	Saskatoon Housing Authority			$ 88,904
Unity, Town Of	Unity Housing Authority			$ 59,901
Walters Industrial Mechanical Ltd.	Carievale Housing Authority	$	76,411	$ 201,532
	Milestone Housing Authority	$	53,205	
	Regina Housing Authority	$	35,701	
	Weyburn Housing Authority	$	20,900	
	Various Corporate / Authorities / Territories	$	15,315	

Saskatchewan Housing Corporation

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Wappel Construction Co. Ltd	Saskatchewan Housing Corporation	$	686,046
Warman, Town of	Warman Housing Authority	$	58,242
Watrous, Town of	Watrous Housing Authority	$	71,343
Webster, Donna	Saskatchewan Housing Corporation	$	113,000
Wesmor Plumbing & Heating Ltd.	Moose Jaw Housing Authority	$	54,248
Weyburn, City of	Weyburn Housing Authority	$	284,997
Wilco Landscape Contractors	Saskatchewan Housing Corporation	$	255,980
Wolfe Management Ltd.	Saskatchewan Housing Corporation	$	2,083,939
Woodland Home & Building	Saskatchewan Housing Corporation	$	65,397
Wynyard, Town of	Wynyard Housing Authority	$	53,128
Yalba, Meryen	Saskatchewan Housing Corporation	$	179,818
Yorkton Territory Operations	Saskatchewan Housing Corporation	$	1,177,103

Saskatchewan Housing Corporation

Grant and Subsidy payments for the year 2006

Listed are payees who received $50,000 for more from the Corporation, a Housing Authority, or Territory Operations for grants and subsidies.

Abbeyfield Houses Society of Saskatooon		
Argyle Park Housing Co-op	$	325,168
Battlefords Residential	$	73,929
Battlefords Urban Native	$	580,276
Bethany Manor	$	578,635
Cathedral Courts	$	85,460
Central Plains Health District	$	156,000
Central Urban Metis Federation	$	1,047,706
Chip And Dale Housing Inc.	$	65,465
Circle Drive Special Care Home	$	58,319
Citizens All Association	$	62,908
Columbus House	$	59,876
Consolation Manor Inc.	$	131,016
Cooperative D'habitation Villa	$	124,177
Cress Housing Corporation	$	156,132
Crestview Housing Co-operative	$	62,805
Deer Park Villa Inc.	$	79,099
Eastview Greens (Eastview Hsg. Assoc.)	$	207,913
EGADZ Housing Initiative	$	180,000
Elmwood Residences	$	136,251
Faith Baptist Place Inc.	$	158,774
Forgie Bay	$	154,874
Gabriel Housing Corporation	$	2,100,847
Gail Stewart Housing Co-op	$	184,144
Golden Years Lodge	$	70,198
Hector Trout Housing Co-op	$	212,980
Herb Bassett Home	$	77,066
Herbert Nursing Home	$	89,076
Highland Park Housing	$	68,381
Hi-Rise Developments Ltd	$	52,951
Humboldt Kinsmen Housing Corp.	$	79,058
Ilarion Residence	$	52,510
K.C. Charities Inc.	$	183,627
La Loche Non Profit Housing Corporation	$	96,080
Lakewood Manor Housing Co-op	$	185,414
Last Mountain Housing Association	$	267,237
Lloydminster And District Senior Citizens Lodge	$	58,105
Lloydminster Metis Housing Group Inc.	$	1,227,168
Luther Care Communities	$	830,147
Mallard Diversified Services	$	62,910
Manoir Marchildon Inc.	$	58,556
Martin Luther Manor	$	161,536
McClure Place Association	$	171,190
Meadow Lake Native Urban Housing Corporation	$	831,507
Meadow Lake Outreach Ministries Inc.	$	215,761
Meadow Lark Housing Co-op	$	86,306
Melville Legion Manor Inc.	$	85,372
Mennonite Nursing Home Inc.	$	84,000
Namerind Housing Corporation	$	1,435,014
Nationwest Housing Corporation	$	1,041,200
Native Co-ordinating Inc 1978	$	120,000
Norwest Place Housing Co-op	$	181,509

Saskatchewan Housing Corporation

Grant and Subsidy payments for the year 2006

Listed are payees who received $50,000 for more from the Corporation, a Housing Authority, or Territory Operations for grants and subsidies.

Oliver Place	$	51,433
Oyate Ataya Wakanyeja Owicaktyapi Inc.	$	86,457
Pineview Lodge	$	109,827
Porcupine Opportunities Progam Inc.	$	70,000
Prince Albert Community Housing Society	$	1,068,571
Prince Albert Group Home	$	76,426
Provincial Metis Housing Corporation	$	484,292
R. J. Davidson Housing	$	208,725
Rainbow Housing Co-operative	$	276,115
Regina Pioneer Village	$	286,907
Regina Ukranian Orthodox	$	236,162
Riversdale Kiwanis Housing Corporation	$	111,497
Riverside Seniors Manor	$	76,688
Rosetown Group Home	$	67,153
Rosewood Housing Co-op	$	186,092
S. E. Sask. Housing Co-op	$	52,492
Sacred Heart Manor Inc.	$	149,813
Sangyle Holdings Ltd.	$	111,350
Santa Maria Senior Citizens Home	$	81,146
Saskatoon Convalescent Home	$	57,587
Saskatoon Interval House/Adelle House	$	115,478
Saskatoon Mennonite Care Services Inc.	$	175,676
Sasknative Rentals Inc.	$	993,284
Silverwood Estates Housing Co-op	$	126,746
St. Brieux Special Care	$	84,000
Storie Manor	$	54,913
Terra Housing Co-operative	$	128,493
TFHQ Safe Shelter Inc.	$	249,795
The George Taylor Housing Co-op	$	159,651
Timothy Eaton Gardens	$	108,818
Touchwood Qu'Appelle Health Region	$	60,000
Transcona Park Housing	$	231,562
Turanich Acquisitions Mgt Inc.	$	186,607
Unity and District Senior's	$	817,861
Voyageur Club of Saskatoon Inc	$	50,000
Warman Mennonite Special Care	$	400,000
Waterston House Inc.	$	233,687
West Central Industries Inc.	$	62,113
Westridge Village - Y.W.C.A.	$	117,280
Weyburn and District Special Care	$	57,686
Wheatland Lodge	$	96,000
Wilkie Independent Living	$	65,512
William Milne Place	$	96,916
Yorkton & District Nursing Home	$	57,689
Yorkton Housing Corporation	$	118,280
YWCA	$	541,142

Saskatchewan Housing Corporation
Salaries for the year 2006
Listed are Housing Authority or Territory Operations employee salaries of $50,000 or more.

Meadow Lake	
Dale Green	$50,129
Melfort Housing Authority	
Mike Forget	$66,722
Melville Housing Authority	
Joanne Kirwan	$50,131
Moose Jaw Housing Authority	
Jim Cannon	$53,983
David E. Foley	$64,783
Brian Wilson	$50,362
North Battleford Housing Authority	
Sherril Carlson	$73,454
Chuck Junek	$60,076
Jason McDonald	$52,744
Charles Tyndall	$76,317
Plains Housing Authority	
Michael McPherson	$73,305
Kate Neiman	$61,843
Phil Parr	$50,183
Prince Albert Housing Authority	
Dave Deobald	$59,297
Rene Blom	$66,726
Linda McGunigal	$50,714
Regina Housing Authority	
Gary Kish	$62,424
John McFetridge	$73,404
Faith Myers	$51,486
Saskatoon Housing Authority	
Nora Jacobs	$65,708
Ray Neale	$64,105
Linda Sylvester	$59,308
Jim Wasilenko	$74,769
Swift Current Housing Authority	
Don Booth	$53,608
Kim Gardner	$54,425
Dennis Klyne	$66,784
Tisdale Housing Authority	
Barrie McLay	$50,279

Weyburn Housing Authority	
Alvena Dybnyk	$59,049
Yorkton Housing Authority	
J. Mark Bell	$73,399
Marlene Just	$53,603
Christina Lang	$55,146
Jerome Niezgoda	$66,687
Mark Stoll	$52,327

Saskatchewan Housing Corporation

Consolidation Schedule
Corporate and Housing Authority Financial Statements

For the year ended December 31, 2006

Saskatchewan
Housing
Corporation

An Agency of
Community Resources

Saskatchewan Housing Corporation (SHC)
Consolidation Schedule - Corporate and Housing Authority Financial Statements
For the year ended December 31, 2006

	Territory Operations - Central	Estevan Housing Authority	Humboldt Housing Authority	Kindersley Housing Authority	Living Skies Housing Authority
Statement of Operations and Changes in Net Assets					
Revenues:					
Rents and other income	3,890,646	1,126,727	711,737	546,649	0
Land sales					
Federal, provincial and other contributions					
	3,890,646	1,126,727	711,737	546,649	0
Expenditures:					
Maintenance and rejuvenation	1,377,011	489,016	315,263	409,972	0
Grants in lieu of property taxes	638,932	248,464	157,637	90,646	0
Utilities	998,253	317,686	169,124	142,468	0
Other operating	946,160	346,140	247,499	155,719	21,908
Total operating	3,960,356	1,401,306	889,523	798,805	21,908
Grants and subsidies	16,600	0	0	0	0
Interest expense					
Amortization of investment in properties					
Cost of land sales					
Loss provisions (recoveries) and other					
	3,976,956	1,401,306	889,523	798,805	21,908
Excess of revenues over expenditures (expenditures over revenues)	(86,310)	(274,579)	(177,786)	(252,156)	(21,908)
Net assets (deficit), beginning of year	(176,697)	(458,559)	(152,591)	(133,484)	0
Recovery of deficit from SHC (payment of surplus to SHC)	176,697	458,559	152,591	133,484	0
Net assets (deficit), end of year	(86,310)	(274,579)	(177,786)	(252,156)	(21,908)
Statement of Financial Position					
Assets:					
Investment in properties					
Land					
System development					
Loans receivable					
Accountable advances provided by SHC					
Accounts receivable	440,778	52,314	18,931	18,466	9,927
Cash and cash equivalents	99,390	131,640	136,396	48,597	69,277
Total Assets	540,168	183,954	155,327	67,063	79,204
Liabilities, Deferred Contributions and Net Assets					
Liabilities and Deferred Contributions:					
Long-term debt					
Accountable advances provided by SHC	422,812	365,025	146,438	279,144	100,000
Accounts payable and accruals	203,666	93,508	186,675	40,075	1,112
Land profits holding account					
Life interest agreements					
Deferred contributions					
Total Liabilities and Deferred Contributions	626,478	458,533	333,113	319,219	101,112
Net assets (deficit)	(86,310)	(274,579)	(177,786)	(252,156)	(21,908)
Total Liabilities, Deferred Contributions and Net Assets	540,168	183,954	155,327	67,063	79,204

Notes:

1 Housing authorities are corporate entities, established pursuant to subsection 18(1) of The Saskatchewan Housing Corporation Act. Their mandate is to manage and operate housing assets assigned to them based on Management Agreements entered into with SHC.

2 Territory Operations offices, generally established in conjunction with a host housing authority, provide management services on behalf of housing authorities in neighbouring communities. Territory Operations - Central provides services from a Saskatoon office. Treeline Housing Authority provides services to housing authorities in northern Saskatchewan, from the SHC regional office in Prince Albert.

Saskatchewan Housing Corporation (SHC)
Consolidation Schedule - Corporate and Housing Authority Financial Statements
For the year ended December 31, 2006

	Lloydminster Housing Authority	Meadow Lake Housing Authority	Melfort Housing Authority	Territory Operations - Melfort	Melville Housing Authority
Statement of Operations and Changes in Net Assets					
Revenues:					
Rents and other income	1,136,580	901,241	979,196	4,037,540	715,090
Land sales					
Federal, provincial and other contributions					
	1,136,580	901,241	979,196	4,037,540	715,090
Expenditures:					
Maintenance and rejuvenation	285,144	487,466	447,601	1,756,667	278,497
Grants in lieu of property taxes	124,621	128,821	115,975	716,957	162,159
Utilities	182,110	190,674	272,719	1,024,642	163,876
Other operating	264,522	296,417	289,242	1,033,717	236,969
Total operating	856,397	1,103,378	1,125,537	4,531,983	841,501
Grants and subsidies	50,441	0	6,061	0	0
Interest expense					
Amortization of investment in properties					
Cost of land sales					
Loss provisions (recoveries) and other					
	906,838	1,103,378	1,131,598	4,531,983	841,501
Excess of revenues over expenditures (expenditures over revenues)	229,742	(202,137)	(152,402)	(494,443)	(126,411)
Net assets (deficit), beginning of year	79,917	(121,982)	(166,958)	(369,788)	(156,821)
Recovery of deficit from SHC (payment of surplus to SHC)	(79,917)	121,982	166,958	369,788	156,821
Net assets (deficit), end of year	229,742	(202,137)	(152,402)	(494,443)	(126,411)
Statement of Financial Position					
Assets:					
Investment in properties					
Land					
System development					
Loans receivable					
Accountable advances provided by SHC					
Accounts receivable	7,424	22,070	509,436	127,160	4,910
Cash and cash equivalents	281,535	77,090		0	127,713
Total Assets	288,959	99,160	509,436	127,160	132,623
Liabilities, Deferred Contributions and Net Assets					
Liabilities and Deferred Contributions:					
Long-term debt					
Accountable advances provided by SHC	0	208,968	560,788	0	216,770
Accounts payable and accruals	59,217	92,329	101,050	621,603	42,264
Land profits holding account					
Life interest agreements					
Deferred contributions					
Total Liabilities and Deferred Contributions	59,217	301,297	661,838	621,603	259,034
Net assets (deficit)	229,742	(202,137)	(152,402)	(494,443)	(126,411)
Total Liabilities, Deferred Contributions and Net Assets	288,959	99,160	509,436	127,160	132,623

Saskatchewan Housing Corporation (SHC)
Consolidation Schedule - Corporate and Housing Authority Financial Statements
For the year ended December 31, 2006

	Moose Jaw Housing Authority	Moosomin Housing Authority	Nipawin Housing Authority	North Battleford Housing Authority	Territory Operations - North Battleford
Statement of Operations and Changes in Net Assets					
Revenues:					
Rents and other income	3,832,344	565,531	844,265	2,418,880	4,062,756
Land sales					
Federal, provincial and other contributions					
	3,832,344	565,531	844,265	2,418,880	4,062,756
Expenditures:					
Maintenance and rejuvenation	1,395,362	353,257	690,788	797,631	1,528,065
Grants in lieu of property taxes	826,412	88,633	115,975	701,106	660,604
Utilities	843,292	117,306	199,553	547,961	1,052,080
Other operating	1,387,291	211,356	264,072	522,857	1,065,297
Total operating	4,452,357	770,552	1,270,388	2,569,555	4,306,046
Grants and subsidies	8,161	0	0	3,282	0
Interest expense					
Amortization of investment in properties					
Cost of land sales					
Loss provisions (recoveries) and other					
	4,460,518	770,552	1,270,388	2,572,837	4,306,046
Excess of revenues over expenditures (expenditures over revenues)	(628,174)	(205,021)	(426,123)	(153,957)	(243,290)
Net assets (deficit), beginning of year	(548,746)	(84,560)	(269,024)	(131,195)	(399,911)
Recovery of deficit from SHC (payment of surplus to SHC)	548,746	84,560	269,024	131,195	399,911
Net assets (deficit), end of year	(628,174)	(205,021)	(426,123)	(153,957)	(243,290)
Statement of Financial Position					
Assets:					
Investment in properties					
Land					
System development					
Loans receivable					
Accountable advances provided by SHC					
Accounts receivable	453,887	17,817	13,870	628,600	112,013
Cash and cash equivalents	350,876	23,736	37,588	558,705	0
Total Assets	804,763	41,553	51,458	1,187,305	112,013
Liabilities, Deferred Contributions and Net Assets					
Liabilities and Deferred Contributions:					
Long-term debt					
Accountable advances provided by SHC	1,035,770	231,122	394,392	1,256,191	0
Accounts payable and accruals	397,167	15,452	83,189	85,071	355,303
Land profits holding account					
Life interest agreements					
Deferred contributions					
Total Liabilities and Deferred Contributions	1,432,937	246,574	477,581	1,341,262	355,303
Net assets (deficit)	(628,174)	(205,021)	(426,123)	(153,957)	(243,290)
Total Liabilities, Deferred Contributions and Net Assets	804,763	41,553	51,458	1,187,305	112,013

Saskatchewan Housing Corporation (SHC)
Consolidation Schedule - Corporate and Housing Authority Financial Statements
For the year ended December 31, 2006

	Outlook Housing Authority	Prince Albert Housing Authority	Regina Housing Authority	Rosetown Housing Authority	Saskatoon Housing Authority
Statement of Operations and Changes in Net Assets					
Revenues:					
Rents and other income	526,156	4,415,381	15,165,741	504,109	11,050,838
Land sales					
Federal, provincial and other contributions					
	526,156	4,415,381	15,165,741	504,109	11,050,838
Expenditures:					
Maintenance and rejuvenation	412,758	1,660,052	5,265,275	121,281	3,816,911
Grants in lieu of property taxes	73,824	1,003,977	3,735,723	103,921	2,663,747
Utilities	104,334	759,604	3,135,473	116,664	2,610,495
Other operating	140,575	1,325,630	3,639,712	140,714	3,412,279
Total operating	731,491	4,749,263	15,776,183	482,580	12,503,432
Grants and subsidies	0	121,519	638,055	0	525,298
Interest expense					
Amortization of investment in properties					
Cost of land sales					
Loss provisions (recoveries) and other					
	731,491	4,870,782	16,414,238	482,580	13,028,730
Excess of revenues over expenditures (expenditures over revenues)	(205,335)	(455,401)	(1,248,497)	21,529	(1,977,892)
Net assets (deficit), beginning of year	21,938	(350,235)	(1,932,329)	10,195	(1,686,782)
Recovery of deficit from SHC (payment of surplus to SHC)	(21,938)	350,235	1,932,329	(10,195)	1,686,782
Net assets (deficit), end of year	(205,335)	(455,401)	(1,248,497)	21,529	(1,977,892)
Statement of Financial Position					
Assets:					
Investment in properties					
Land					
System development					
Loans receivable					
Accountable advances provided by SHC					
Accounts receivable	20,899	133,100	761,366	2,102	587,565
Cash and cash equivalents	65,054	180,157	1,445,235	51,398	495,463
Total Assets	85,953	313,257	2,206,601	53,500	1,083,028
Liabilities, Deferred Contributions and Net Assets					
Liabilities and Deferred Contributions:					
Long-term debt					
Accountable advances provided by SHC	240,224	216,277	2,127,423	25,372	2,040,441
Accounts payable and accruals	51,064	552,381	1,327,675	6,599	1,020,479
Land profits holding account					
Life interest agreements					
Deferred contributions					
Total Liabilities and Deferred Contributions	291,288	768,658	3,455,098	31,971	3,060,920
Net assets (deficit)	(205,335)	(455,401)	(1,248,497)	21,529	(1,977,892)
Total Liabilities, Deferred Contributions and Net Assets	85,953	313,257	2,206,601	53,500	1,083,028

Saskatchewan Housing Corporation (SHC)
Consolidation Schedule - Corporate and Housing Authority Financial Statements
For the year ended December 31, 2006

	Swift Current Housing Authority	Territory Operations - Swift Current	Tisdale Housing Authority	Treeline Housing Authority	Weyburn Housing Authority
Statement of Operations and Changes in Net Assets					
Revenues:					
Rents and other income	1,621,154	3,285,690	811,246	5,125,478	1,230,677
Land sales					
Federal, provincial and other contributions					
	1,621,154	3,285,690	811,246	5,125,478	1,230,677
Expenditures:					
Maintenance and rejuvenation	846,767	1,843,510	434,024	4,944,702	503,388
Grants in lieu of property taxes	330,707	577,564	108,424	1,192,821	251,499
Utilities	405,053	860,756	187,957	1,224,729	270,032
Other operating	511,039	889,959	281,662	1,622,086	363,520
Total operating	2,093,566	4,171,789	1,012,067	8,984,338	1,388,439
Grants and subsidies	15,301	4,020	0	0	11,377
Interest expense					
Amortization of investment in properties					
Cost of land sales					
Loss provisions (recoveries) and other					
	2,108,867	4,175,809	1,012,067	8,984,338	1,399,816
Excess of revenues over expenditures (expenditures over revenues)	(487,713)	(890,119)	(200,821)	(3,858,860)	(169,139)
Net assets (deficit), beginning of year	(143,126)	(630,485)	(166,035)	(4,321,581)	(96,425)
Recovery of deficit from SHC (payment of surplus to SHC)	143,126	630,485	166,035	4,321,581	96,425
Net assets (deficit), end of year	(487,713)	(890,119)	(200,821)	(3,858,860)	(169,139)
Statement of Financial Position					
Assets:					
Investment in properties					
Land					
System development					
Loans receivable					
Accountable advances provided by SHC					
Accounts receivable	939,913	20,693	13,660	466,001	613,567
Cash and cash equivalents	(198,922)	550	74,826	12,106	
Total Assets	740,991	21,243	88,486	478,107	613,567
Liabilities, Deferred Contributions and Net Assets					
Liabilities and Deferred Contributions:					
Long-term debt					
Accountable advances provided by SHC	1,164,650	0	260,496	3,669,720	587,060
Accounts payable and accruals	64,054	911,362	28,811	667,247	195,646
Land profits holding account					
Life interest agreements					
Deferred contributions					
Total Liabilities and Deferred Contributions	1,228,704	911,362	289,307	4,336,967	782,706
Net assets (deficit)	(487,713)	(890,119)	(200,821)	(3,858,860)	(169,139)
Total Liabilities, Deferred Contributions and Net Assets	740,991	21,243	88,486	478,107	613,567

Saskatchewan Housing Corporation (SHC)
Consolidation Schedule - Corporate and Housing Authority Financial Statements
For the year ended December 31, 2006

	Territory Operations - Weyburn	Yorkton Housing Authority	Territory Operations - Yorkton	Other Housing Authorities
Statement of Operations and Changes in Net Assets				
Revenues:				
Rents and other income	3,533,924	1,433,957	4,554,606	164,928
Land sales				
Federal, provincial and other contributions				
	3,533,924	1,433,957	4,554,606	164,928
Expenditures:				
Maintenance and rejuvenation	1,725,717	536,630	2,296,360	41,414
Grants in lieu of property taxes	582,966	321,793	773,501	48,276
Utilities	809,785	397,094	1,216,510	47,373
Other operating	925,065	328,589	1,285,842	56,854
Total operating	4,043,533	1,584,106	5,572,213	193,917
Grants and subsidies	0	55,558	2,052	0
Interest expense				
Amortization of investment in properties				
Cost of land sales				
Loss provisions (recoveries) and other				
	4,043,533	1,639,664	5,574,265	193,917
Excess of revenues over expenditures (expenditures over revenues)	(509,609)	(205,707)	(1,019,659)	(28,989)
Net assets (deficit), beginning of year	(591,811)	(188,391)	(945,089)	(33,301)
Recovery of deficit from SHC (payment of surplus to SHC)	591,811	188,391	945,089	33,301
Net assets (deficit), end of year	(509,609)	(205,707)	(1,019,659)	(28,989)
Statement of Financial Position				
Assets:				
Investment in properties				
Land				
System development				
Loans receivable				
Accountable advances provided by SHC				
Accounts receivable	25,688	1,248,135	26,095	852,646
Cash and cash equivalents	1,050	38,845	22,665	260,837
Total Assets	26,738	1,286,980	48,760	1,113,483
Liabilities, Deferred Contributions and Net Assets				
Liabilities and Deferred Contributions:				
Long-term debt				
Accountable advances provided by SHC	0	1,187,118	0	1,092,923
Accounts payable and accruals	536,347	305,569	1,068,419	49,549
Land profits holding account				
Life interest agreements				
Deferred contributions				
Total Liabilities and Deferred Contributions	536,347	1,492,687	1,068,419	1,142,472
Net assets (deficit)	(509,609)	(205,707)	(1,019,659)	(28,989)
Total Liabilities, Deferred Contributions and Net Assets	26,738	1,286,980	48,760	1,113,483

Saskatchewan Housing Corporation (SHC)
Consolidation Schedule - Corporate and Housing Authority Financial Statements
For the year ended December 31, 2006

	Subtotals for Housing Authorities	Corporate Accounts	Consolidation Adjustments	Totals per SHC Consolidated Financial Statements
Statement of Operations and Changes in Net Assets				
Revenues:				
Rents and other income	79,193,067	1,744,637		80,937,704
Land sales	0	6,210,662		6,210,662
Federal, provincial and other contributions	0	83,124,230		83,124,230
	79,193,067	91,079,529	0	170,272,596
Expenditures:				
Maintenance and rejuvenation	35,060,529	505,650		35,566,179
Grants in lieu of property taxes	16,545,685	373,364		16,919,049
Utilities	18,367,603	117,576		18,485,179
Other operating	22,212,692	5,335,223		27,547,915
Total operating	92,186,509	6,331,813	0	98,518,322
Grants and subsidies	1,457,725	40,873,987		42,331,712
Interest expense	0	6,444,700		6,444,700
Amortization of investment in properties	0	17,670,031		17,670,031
Cost of land sales	0	4,981,553		4,981,553
Loss provisions (recoveries) and other	0	389,679		389,679
	93,644,234	76,691,763	0	170,335,997
Excess of revenues over expenditures (expenditures over revenues)	(14,451,167)	14,387,766	0	(63,401)
Net assets (deficit), beginning of year	(14,143,856)	34,752,147		20,608,291
Recovery of deficit from SHC (payment of surplus to SHC)	14,143,856	(14,143,856)		
Net assets (deficit), end of year	(14,451,167)	34,996,057	0	20,544,890
Statement of Financial Position				
Assets:				
Investment in properties	0	219,860,706		219,860,706
Land	0	4,836,840		4,836,840
System development	0	2,571,351		2,571,351
Loans receivable	0	2,135,581		2,135,581
Accountable advances provided by SHC	0	17,829,124	(17,829,124)	
Accounts receivable	8,149,033	13,258,292	(2,898,586)	18,508,739
Cash and cash equivalents	4,391,807	40,637,891		45,029,698
Total Assets	12,540,840	301,129,785	(20,727,710)	292,942,915
Liabilities, Deferred Contributions and Net Assets				
Liabilities and Deferred Contributions:				
Long-term debt	0	50,428,052		50,428,052
Accountable advances provided by SHC	17,829,124	0	(17,829,124)	
Accounts payable and accruals	9,162,883	8,703,699	(2,898,586)	14,967,996
Land profits holding account	0	4,633,741		4,633,741
Life interest agreements	0	11,854,404		11,854,404
Deferred contributions	0	190,513,832		190,513,832
Total Liabilities and Deferred Contributions	26,992,007	266,133,728	(20,727,710)	272,398,025
Net assets (deficit)	(14,451,167)	34,996,057	0	20,544,890
Total Liabilities, Deferred Contributions and Net Assets	12,540,840	301,129,785	(20,727,710)	292,942,915

Notes:

3 This Consolidation Schedule summarizes amounts reported in the audited financial statements for individual housing authorities and Territory Operations, and amounts recorded in the accounts of Saskatchewan Housing Corporation net of consolidation adjustments.

4 Audited financial statements for the housing authorities and Territory Operations locations identified in this Consolidation Schedule are available from the Housing Financial Operations Branch, Department of Community Resources, 5th Floor, 1855 Victoria Avenue, Regina, Saskatchewan, S4P 3T2, upon written request. Please direct information requests to the attention of the Director.

Saskatchewan Housing Corporation (SHC)
Consolidation Schedule - Corporate and Housing Authority Financial Statements
For the year ended December 31, 2006

	Territory Operations - Plains	Denare Beach	Eastview Housing Association	Westridge/ Saskatoon H.A.	TOTAL Other H.A.
Statement of Operations and Changes in Net Assets					
Revenues:					
Rents and other income	0		85,939	78,989	164,928
Land sales					0
Federal, provincial and other contributions					0
	0	0	85,939	78,989	164,928
Expenditures:					
Maintenance and rejuvenation	0		17,145	24,269	41,414
Grants in lieu of property taxes	0		26,140	22,136	48,276
Utilities	0		31,228	16,145	47,373
Other operating	0		24,771	32,083	56,854
Total operating	0	0	99,284	94,633	193,917
Grants and subsidies	0	0	0	0	0
Interest expense					0
Amortization of investment in properties					0
Cost of land sales					0
Loss provisions (recoveries) and other					0
	0	0	99,284	94,633	193,917
Excess of revenues over expenditures (expenditures over revenues)	0	0	(13,345)	(15,644)	(28,989)
Net assets (deficit), beginning of year	0	0	(13,157)	(20,144)	(33,301)
Recovery of deficit from SHC (payment of surplus to SHC)			13,157	20,144	33,301
Net assets (deficit), end of year	0	0	(13,345)	(15,644)	(28,989)
Statement of Financial Position					
Assets:					
Investment in properties					0
Land					0
System development					0
Loans receivable					0
Accountable advances provided by SHC					0
Accounts receivable	848,812		3,579	255	852,646
Cash and cash equivalents	232,058		14,617	14,162	260,837
Total Assets	1,080,870	0	18,196	14,417	1,113,483
Liabilities, Deferred Contributions and Net Assets					
Liabilities and Deferred Contributions:					
Long-term debt					0
Accountable advances provided by SHC	1,043,590		25,257	24,076	1,092,923
Accounts payable and accruals	37,280		6,284	5,985	49,549
Land profits holding account					0
Life interest agreements					
Short-term indebtedness					0
Deferred contributions					0
Total Liabilities and Deferred Contributions	1,080,870	0	31,541	30,061	1,142,472
Net assets (deficit)	0	0	(13,345)	(15,644)	(28,989)
Total Liabilities, Deferred Contributions and Net Assets	1,080,870	0	18,196	14,417	1,113,483

Notes:
Total rolls up to Sheet 1 other Housing Authorities.